

2019-2020 Proposed Budget

Overview



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2019-2020 Budget Highlights

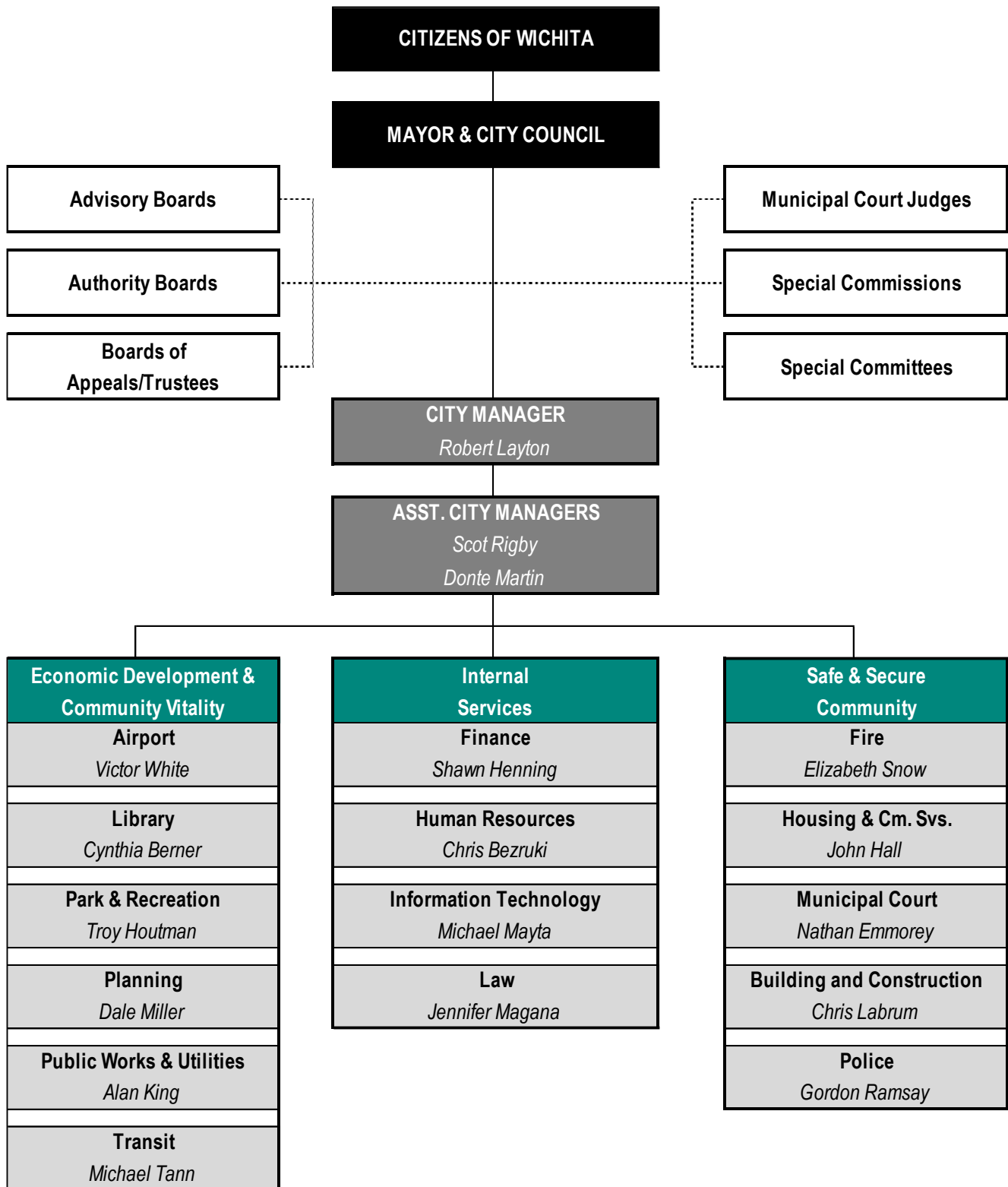
- ◆ **Zero-Based Budgeting resulted in prioritization of activities by department.** Since the 2018-2019 Budget was adopted by the City Council, the focus has been on classifying activities as “untouchable” and “touchable”. This framework has guided citizen engagement and the 2019-2020 Proposed Budget.
- ◆ **Community involvement helped shape budget recommendations.** The June 21, 2018 Social Media Town Hall event, which used Facebook, Twitter, and Nextdoor, gathered feedback from residents about touchable activities, such as non-mandated street sweeping, the animal shelter, and School Resource Officers. The event had a reach of over 134,000 with over 900 comments. Staff also presented information through traditional meeting channels at District Advisory Board meetings in each City Council district.
- ◆ **The mill levy rate is unchanged.** The 2019 budget is based on an estimated mill levy rate equal to last year’s rate. This is the 25th consecutive year the mill levy has remained stable. One mill is shifted from the Debt Service Fund to the General Fund for implementation of the Police staffing study.
- ◆ **Golf operations face structural challenges.** L.W. Clapp Golf Course will close on September 30, 2018. Additionally, seasonal furloughs and rolling winter closures are modeled into the budget. However, the Golf Fund still lacks the capacity to repay debt obligations or attain a minimal fund balance.
- ◆ **Fire deployment will be optimized.** The plan is under development and will be cost-neutral. Responses to non-emergency medical calls will be provided by civilian EMTs and the optimal level of four firefighters will arrive on each apparatus as squad trucks are phased out. Implementation is expected to begin by 2019.
- ◆ **Transit operations have been stabilized.** A portion of the proceeds from the sale of the Hyatt Hotel (\$4 million) are being used to implement the four-year sustainability plan to stabilize the system by building ridership, using data to refine the fixed route system, developing alternative modes, and leveraging partnerships. The Parking and Mobility program has been moved to Transit in order to capitalize on synergies between multiple transportation modes.
- ◆ **The Advanced Learning Library opened in June 2018.** As the library system transitions to a different model, the Linwood Branch is proposed to be closed in 2019, and the Evergreen Branch is proposed to be closed in 2020.
- ◆ **Street maintenance improvements continue.** The Capital Improvement Program and Operating Budget are integrated to provide \$8 million in funding in 2018, \$10 million in 2019, and \$11 million in 2020 for street maintenance.
- ◆ **Reserves are maintained at appropriate levels.** The 2019 budget includes General Fund reserves of \$32.3 million, which is greater than 10% of projected expenditures, in accordance with City Council policy.

2019-2020 Budget Development Calendar

The ongoing budget process from initial planning to the first day of an adopted budget is approximately 23-26 months. For example, the City started planning for 2019 in late 2017. The key dates for the 2019-2020 Budget are shown below. Dates with asterisks are broadcast on City Channel 7 and streamed on the internet.

January 8	Budget staff begin development of base budgets
February 15	Performance measures data is submitted to Budget Office
March-April	Development of decision packages
April 24	List of untouchable activities and prioritization by department affirmed by City Council
May 9-30	Departmental budget hearings with City Manager
June 11 and 20	Budget presentations to District Advisory Boards
June 21	Social Media Town Hall event
June 26	City Council workshop about the operating budget and capital improvement program
July 2 and 7	Budget presentations to District Advisory Boards
July 17 *	City Manager formally presents budget document to City Council. City Council holds first public hearing and authorizes publication (sets maximum taxes levied)
August 7 *	Public hearing at the City Council meeting
August 14 *	Final public hearing and adoption of the 2019-2020 operating budget at the City Council meeting
August 25	Certification forms for the 2019 budget are filed with the Sedgwick County Clerk
November	Final assessed valuation is recorded and mill levies are calculated by the Sedgwick County Clerk
January 1, 2019	Fiscal Year 2019 begins

** Shown live on City Channel 7 or via streaming video on www.wichita.gov*





At-Large: **Mayor Jeff Longwell**

Jeff Longwell has been Mayor of the City of Wichita since April 2015 and is currently serving in his first term. Previously, he was elected and served two terms as a Council Member from April 2007 to April 2015. He is actively involved in St. Francis of Assisi Parish, the Knights of Columbus, and served 12 years on the Maize Board of Education. He received his education from Wichita West High School and Wichita State University. He is married and has three children and two grandchildren.



District 5: **Vice Mayor Bryan Frye**

Bryan Frye has been a Council Member since April 2015 and is currently serving in his first term. A lifelong Wichitan, Bryan graduated from Wichita State University with a Bachelor of the Arts degree in Marketing. He recently retired from a 24-year career in local television marketing and is currently the marketing director of a local distribution company. Prior to being elected, he served eight years on the District V Advisory Board and eight years on the Wichita Board of Park Commissioners. Bryan is currently a board member of the Wichita Area Metropolitan Planning Organization and Historic Wichita Cowtown, Inc. He has also held leadership positions for numerous non-profit groups over the years, including Botanica, Music Theatre Wichita, Big Brothers Big Sisters of Sedgwick County, the Wichita State Alumni Association and the Wichita Wagonmasters. He and his wife have two children.



District 1: **Brandon Johnson**

Brandon Johnson was elected as the Council Member to District I in 2017. He demonstrates his love for Wichita through progressive programming, investments and initiatives to create a better city for current and future residents. The Wichita-native's civil leadership spans more than 10 years in areas including economic development through employment advocacy and job creation, social services and community education. Johnson is married to Danielle and they have three children.



District 2: **Pete Meitzner**

Pete Meizner has been a Council Member since April 2011 and is currently serving his second term. He is a life long Wichitan and is a graduate of Wichita State University. Council Member Meitzner worked in the banking industry prior to founding and operating a telecom company. He is active in the community at-large, and within the business community, serving on numerous civic and non-profit boards. He currently serves on the National Center for Aviation Training Authority Board and the Cerebral Palsy Research Foundation and is a past President of the Lord's Diner Advisory Board. He and his wife have two children.



District 3: **James Clendenin**

James Clendenin has been a Council Member since April 2011. He is a graduate of Halstead High School and attended Hesston College and Hutchinson Community College. He worked in the aircraft composites business for over 14 years. He is the Mayor's appointee and Chair of the Sedgwick County Association of Cities. James serves on the Historic Wichita Cowtown, Inc. Advisory Board and on the Interfaith Ministries Board. He is a member of the National League of Cities Community & Economic Development Steering Committee and has served as an Assistant Scoutmaster in Boy Scouts of America. He is married and has three children.



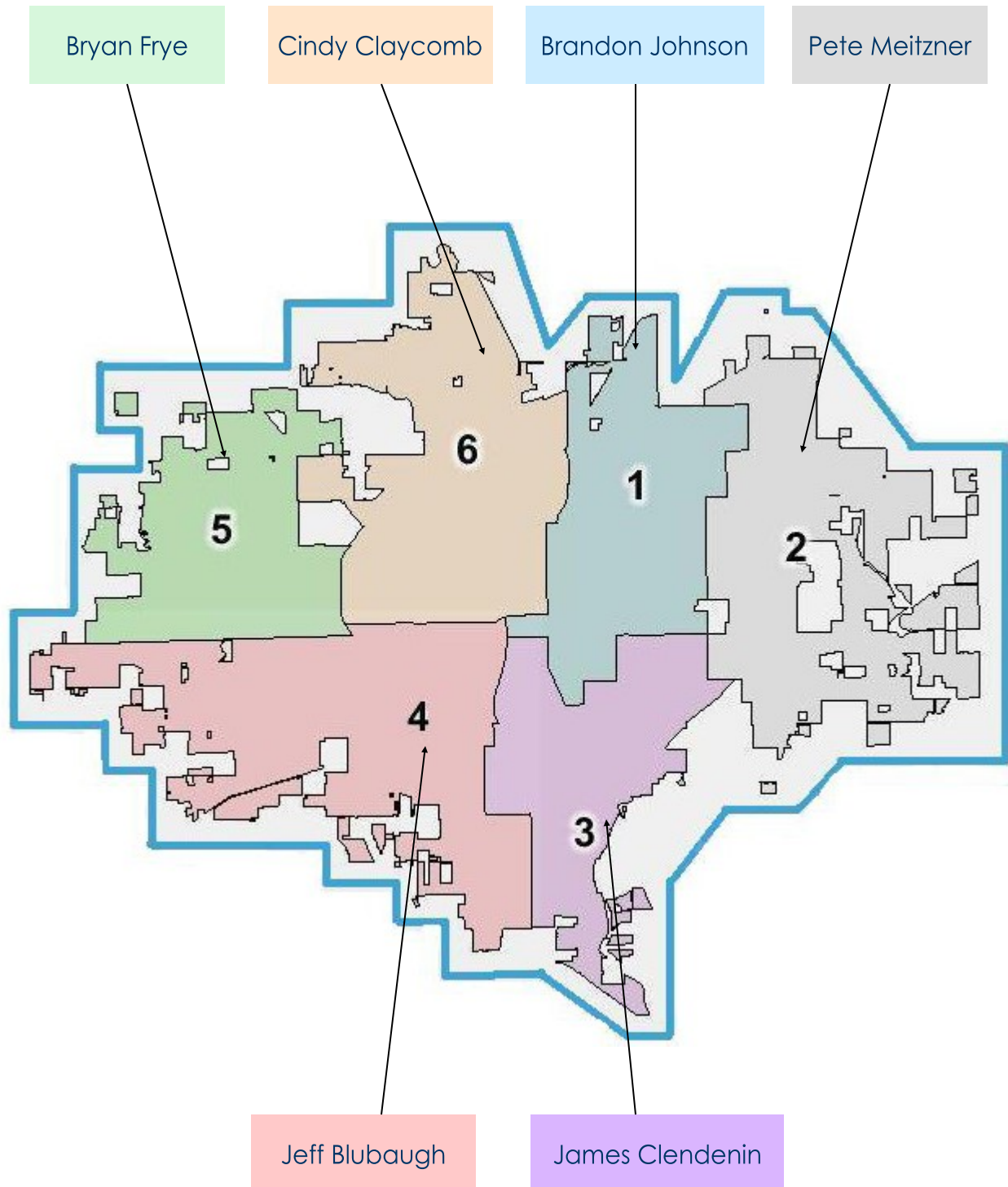
District 4: **Jeff Blubaugh**

Jeff Blubaugh has been a Council Member since April 2013. He holds undergraduate and graduate degrees from Friends University, previously worked in sales for the Cessna Aircraft Company, and sells real estate for Keller Williams Hometown Partners. He is actively involved with the community as a member of Lion Clubs International, the South YMCA Board, and numerous other organizations. Jeff formerly served on the Goddard School Board, the Goddard Football Board, and as the Goddard Junior High Football Coach. He and his wife have four children.



District 6: **Dr. Cindy Claycomb**

Dr. Cindy Claycomb was elected as the Council Member to District VI in 2017. She has been employed in higher education for over 20 years, holding positions of professor of marketing, interim Dean of the business school, and Assistant to the President for Strategic Planning. Dr. Claycomb is committed to working on a strong local economy, safe and thriving neighborhoods, and a vibrant quality of life for all Wichitans. She is married to Charlie and they have an adult daughter, son-in-law and three grandchildren.





City Council Members

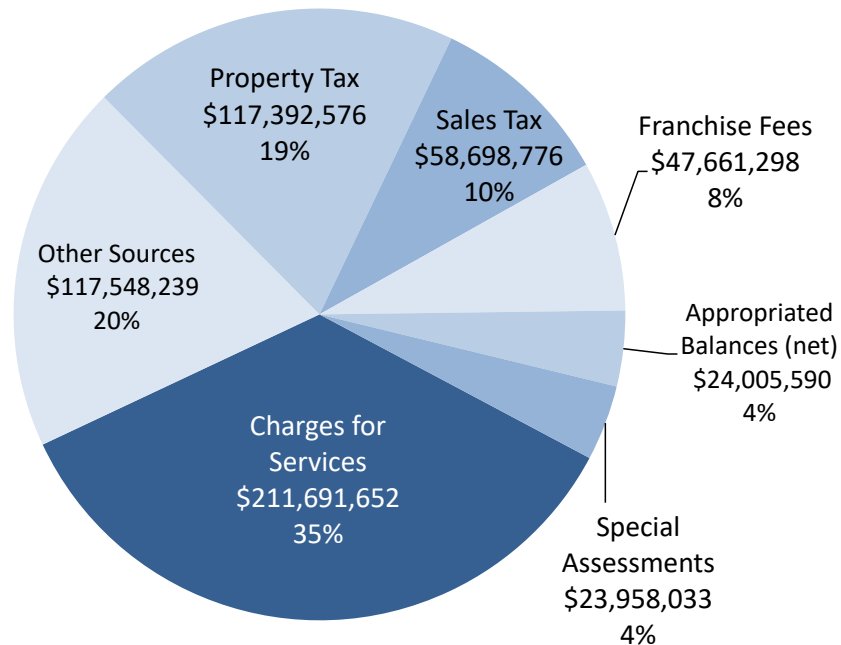
Mayor	Jeff Longwell	JLongwell@wichita.gov	268-4331	455 N. Main, 67202
Vice Mayor	Bryan Frye	BFrye@wichita.gov	268-4331	455 N. Main, 67202
Council Member (I)	Brandon Johnson	BJJohnson@wichita.gov	303-8018	*2755 E. 19th, 67214
Council Member (II)	Pete Meitzner	PMeitzner@wichita.gov	268-4331	455 N. Main, 67202
Council Member (III)	James Clendenin	JClendenin@wichita.gov	303-8029	*2820 S. Roosevelt, 67210
Council Member (IV)	Jeff Blubaugh	JBlubaugh@wichita.gov	268-4331	455 N. Main, 67202
Council Member (VI)	Cindy Claycomb	CClaycomb@wichita.gov	303-8042	*2700 N. Woodland, 67207

Note: *Council Members can be reached at the Neighborhood Resource Centers, as well as City Hall at 455 N. Main, 268-4331.

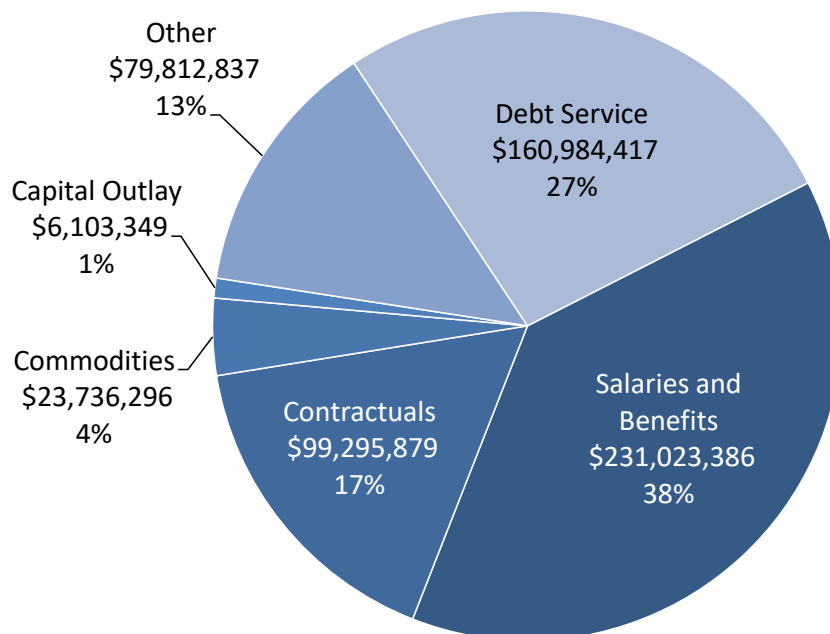
City Departments & Directors

City Manager's Office	268-4351	<i>Robert Layton</i> , City Manager <i>Donte Martin</i> , Assistant City Manager <i>Scot Rigby</i> , Assistant City Manager
Airport	946-4700	<i>Victor White</i> , Director
Building and Construction	660-1840	<i>Christopher Labrum</i> , Director
Finance	268-4300	<i>Shawn Henning</i> , Director
Fire	268-4451	<i>Elizabeth Snow</i> , Fire Chief
Housing & Community Services	462-3700	<i>John E. Hall</i> , Director
Human Resources	268-4531	<i>Chris Bezruki</i> , Director
Information Technology	268-4318	<i>Michael Mayta</i> , Chief Information Officer
Law	268-4681	<i>Jennifer Magana</i> , Director of Law & City Attorney
Library	261-8500	<i>Cynthia Berner</i> , Director
Municipal Court	268-4611	<i>Nathan Emmorey</i> , Court Administrator
Park & Recreation	268-4628	<i>Troy Houtman</i> , Director
Planning	268-4490	<i>Dale Miller</i> , Director
Police	268-4158	<i>Gordon Ramsay</i> , Chief of Police
Public Works & Utilities	268-4664	<i>Alan King</i> , Director
Transit	265-1450	<i>Michael Tann</i> , Director

Where City of Wichita Dollars Come From ALL FUNDS 2019 PROPOSED, \$600,956,164



Where City of Wichita Dollars Go ALL FUNDS 2019 PROPOSED, \$600,956,164



All Funds Revenue Sources by Type



FINANCIAL SUMMARIES

ALL FUNDS - REVENUE SOURCES BY TYPE	2017 ACTUAL	2018 ADOPTED	2018 REVISED	2019 PROPOSED	2020 PROJECTED
Property Taxes	\$110,623,765	\$113,273,443	\$113,270,924	\$117,392,576	\$121,387,572
Motor Vehicle Taxes	15,738,435	16,579,628	16,131,895	16,535,192	16,948,571
Local Sales Taxes	57,620,333	60,075,692	58,282,072	58,698,776	60,310,468
Motor Fuel Taxes	15,127,235	15,352,926	15,279,913	15,431,862	15,585,331
Other Taxes	13,289,380	13,938,125	13,674,614	14,002,224	14,340,745
Franchise Fees	45,568,544	47,225,124	47,008,775	47,661,298	48,819,707
Special Assessments	25,968,952	27,414,931	24,501,087	23,958,033	25,001,952
Licenses and Permits	2,856,696	3,549,651	3,149,101	3,220,789	3,220,789
Charges for Services	182,828,728	204,181,347	203,128,259	211,691,652	220,005,453
Rental Income	36,455,156	36,151,895	36,692,912	37,596,006	38,656,589
Interest Earnings	5,641,612	3,640,000	5,130,000	5,130,000	5,130,000
Other Revenues	29,083,693	23,937,439	26,457,251	27,798,855	30,958,757
Total All Funds Revenue	\$540,802,529	\$565,320,201	\$562,706,802	\$579,117,262	\$600,365,933
Interfund Transactions	121,126,765	130,018,634	130,587,266	135,752,299	141,381,540
Net Annual Budget Sources	\$661,929,294	\$695,338,835	\$693,294,068	\$714,869,563	\$741,747,473

Note: Totals exclude Trust Funds, Agency Funds and Capital Project Funds. Totals may not be exact due to rounding.

All Funds Expenditures by Category



FINANCIAL SUMMARIES

ALL FUNDS - EXPENDITURES BY CATEGORY	2017 ACTUAL	2018 ADOPTED	2018 REVISED	2019 PROPOSED	2020 PROJECTED
110 Regular Salaries	\$139,974,285	\$155,294,044	\$156,493,328	\$161,504,354	\$165,146,550
120 Special Salaries	4,471,637	4,133,002	4,234,661	4,098,462	4,019,664
130 Overtime	6,991,753	3,828,749	3,826,454	3,836,849	3,867,176
140 Employee Benefits	61,318,768	71,372,627	70,066,494	72,076,690	75,398,358
150 Shrinkage	0	(10,142,290)	(9,298,321)	(10,492,969)	(10,451,682)
Salaries and Benefits	212,756,443	224,486,132	225,322,615	231,023,386	237,980,066
210 Utilities	20,177,444	22,301,652	22,137,792	22,649,951	23,155,879
220 Communications	1,681,202	2,634,496	2,718,489	2,721,569	2,721,581
230 Transportation and Training	678,638	698,289	736,928	732,238	729,638
240 Insurance	2,577,885	2,585,243	2,642,182	2,627,623	2,627,623
250 Professional Services	27,928,237	29,278,568	31,435,582	34,178,493	33,890,328
260 Data Processing	10,238,014	10,293,079	10,494,637	10,900,549	11,499,765
270 Equipment Charges	10,465,023	10,194,768	10,766,443	10,716,942	10,715,142
280 Buildings and Grounds Charges	2,851,571	3,392,264	3,409,543	3,369,547	3,329,447
290 Other Contractuals	8,629,935	10,726,360	11,135,028	11,398,967	11,414,095
Contractuals	85,227,949	92,104,719	95,476,624	99,295,879	100,083,498
310 Office Supplies	407,927	541,578	555,555	540,215	540,715
320 Clothing and Towels	719,864	779,011	912,504	780,684	780,984
330 Chemicals	2,146,222	4,513,342	4,953,771	4,939,421	4,940,821
340 Equipment Parts and Supplies	10,102,755	10,530,738	10,645,019	10,602,964	10,684,731
350 Materials	2,215,922	2,128,687	2,184,167	2,249,907	2,249,907
370 Building Parts and Materials	293,945	575,903	554,778	551,503	536,503
380 Non-capitalizable Equipment	2,897,824	3,047,657	3,177,872	3,077,644	2,985,134
390 Other Commodities	810,583	986,363	999,744	993,959	975,359
Commodities	19,595,042	23,103,279	23,983,410	23,736,296	23,694,154
410 Land	0	0	0	0	0
420 Buildings	95,893	0	0	0	0
430 Improvements Other Than Bldgs.	1,309	0	0	0	0
440 Office Equipment	30,035	150,000	162,130	150,000	150,000
450 Vehicular Equipment	2,118,269	2,509,500	2,527,200	2,378,000	2,304,500
460 Operating Equipment	5,761,064	3,553,000	3,608,869	3,575,349	3,574,351
Capital Outlay	8,006,570	6,212,500	6,298,199	6,103,349	6,028,851
510 Interfund Transfers	9,700,000	16,250,000	10,000,000	17,000,000	11,000,000
520 Debt Service	154,098,735	163,321,436	158,908,903	160,984,417	160,786,921
530 Other Nonoperating Expenses	7,212,296	58,543,457	21,777,474	55,864,623	15,796,265
540 Inventory Accounts	4,814,184	6,926,698	6,898,154	6,948,214	6,936,192
550 Inventory Accounts	420,177	0	0	0	0
Other	176,245,391	245,041,591	197,584,531	240,797,254	194,519,378
Total All Fund Expenditures	\$501,831,395	\$590,948,221	\$548,665,379	\$600,956,164	\$562,305,947

Note: Totals do not include the General Fund appropriated balance reserve. Trust Funds, Construction Funds and Agency Funds are also excluded. Totals may not be exact due to rounding.

All Funds Expenditures by Fund



FINANCIAL SUMMARIES

ALL FUNDS - EXPENDITURES BY FUND	2017 ACTUAL	2018 ADOPTED	2018 REVISED	2019 PROPOSED	2020 PROJECTED
100 General	\$227,296,158	\$236,731,729	\$235,928,232	\$244,213,328	\$250,035,839
300 Debt Service	91,965,262	93,712,772	89,459,552	89,869,672	82,583,572
Total Tax Levy Funds	319,261,420	330,444,501	325,387,784	334,083,000	332,619,411
350 Cemetery	58,789	114,737	114,703	115,211	115,274
209 Homelessness Assistance	301,491	382,736	382,736	382,736	382,736
215 Tourism & Convention Promotion	7,960,152	9,468,619	7,469,182	9,931,724	7,409,305
220 Special Alcohol Programs	1,810,466	3,117,658	2,049,790	3,155,268	2,038,740
225 Special Parks & Recreation	2,180,000	2,300,000	2,241,041	2,205,548	2,293,770
230 Landfill	1,540,189	3,487,460	3,456,386	4,175,155	2,262,034
231 Landfill Post Closure	758,382	9,526,222	1,328,751	9,690,522	1,349,294
235 Metropolitan Area Building/Construction	3,871,940	4,627,487	3,759,895	4,908,307	3,990,908
236 Economic Development	1,679,861	3,234,681	1,541,716	3,263,409	1,852,366
237 Sales Tax Construction Pledge	31,766,531	35,686,008	26,686,441	35,439,980	29,507,583
238 Downtown Parking	1,232,726	2,935,515	2,133,696	2,877,787	1,790,313
245 State Office Building Complex	940,326	1,211,704	517,168	0	0
255 TIF Districts	3,652,904	26,617,222	15,519,511	28,296,917	9,508,516
260 Self-Supporting Municipal Improvement Dist.	675,114	698,345	697,955	695,468	708,982
265 City/County Joint Operations	3,316,178	4,263,923	4,263,924	4,296,806	4,403,431
Total Special Revenue Funds	61,745,049	107,672,317	72,162,895	109,434,838	67,613,252
500 Airport	30,537,681	32,093,197	32,043,635	32,722,496	33,421,655
515 Golf Course	4,598,538	4,743,872	4,474,309	4,150,695	4,210,178
520 Transit	6,100,995	6,673,929	6,404,996	6,693,863	7,090,678
530 Sewer Utility	51,530,832	56,852,635	59,713,035	59,326,387	61,046,772
540 Water Utility	73,753,203	86,901,400	86,285,080	89,424,838	95,918,202
560 Stormwater Utility	8,739,835	19,772,312	13,429,339	21,164,766	13,304,897
Total Enterprise Funds	175,261,084	207,037,345	202,350,394	213,483,045	214,992,382
600 Information Technology	10,895,799	12,316,766	12,226,292	13,771,830	13,612,275
605 Fleet	13,991,087	15,663,262	1,612,936	16,517,924	15,992,535
620 Self Insurance	52,664,635	64,599,163	64,543,403	68,837,023	73,277,244
Total Internal Service Funds	77,551,521	92,579,191	78,382,630	99,126,777	102,882,054
Gross Expenditures	633,819,074	737,733,354	678,283,703	756,127,660	718,107,099
Less: Interfund Transactions	131,987,679	146,785,133	129,618,324	155,171,497	155,801,152
Net Annual Budget Uses	\$501,831,395	\$590,948,221	\$548,665,379	\$600,956,164	\$562,305,947

Note: Totals do not include the General Fund appropriated balance reserve. Trust Funds, Construction Funds and Agency Funds are also excluded.



GENERAL FUND REVENUE	2017 ACTUAL	2018 ADOPTED	2018 REVISED	2019 PROPOSED	2020 PROJECTED
Budgeted Revenues					
Property Taxes	\$76,625,353	\$78,470,644	\$78,109,874	\$84,303,187	\$87,216,487
Motor Vehicle Taxes	11,621,335	12,239,239	11,914,897	12,718,119	13,036,071
Local Sales Taxes	28,557,694	29,812,846	28,916,036	29,124,388	29,930,234
Motor Fuel Taxes	15,127,235	15,352,926	15,279,913	15,431,862	15,585,331
Liquor Taxes	2,074,735	2,205,147	2,120,720	2,205,548	2,293,770
Franchise Fees	45,563,488	47,225,124	47,008,775	47,661,298	48,819,707
Licenses and Permits	2,818,831	3,429,268	3,028,718	3,100,406	3,100,406
Charges for Services	16,430,349	18,409,472	18,200,806	18,381,972	18,215,678
Rental Income	2,335,423	2,301,220	2,285,221	2,362,321	2,362,321
Transfers In	6,073,192	5,627,438	5,966,222	5,591,719	5,803,147
Interest Earnings	3,782,188	3,000,000	4,500,000	4,500,000	4,500,000
Other Revenue	18,123,589	18,658,405	18,597,050	18,832,508	19,172,687
Total General Fund Revenues	\$229,133,412	\$236,731,729	\$235,928,232	\$244,213,328	\$250,035,839
Budgeted Expenditures					
City Council	764,313	1,016,241	1,031,409	1,043,071	1,058,904
City Manager	10,793,598	13,287,085	13,437,838	13,206,816	12,770,576
Finance	4,998,178	5,754,949	5,749,591	5,820,219	5,930,476
Fire	44,614,060	45,808,162	46,619,981	47,388,818	48,485,244
Housing	165,438	234,584	234,584	209,490	210,154
Human Resources	1,411,889	1,623,094	1,734,543	1,777,127	1,777,661
Law	2,640,858	3,011,278	2,969,114	2,997,493	3,040,471
Library	8,390,220	9,210,771	9,467,142	9,130,500	9,139,527
Metro. Area Building & Construction	949,528	1,030,096	1,017,947	1,037,639	1,060,522
Municipal Court	6,526,292	7,465,036	7,410,670	7,708,767	7,901,389
Park & Recreation	16,662,688	16,543,073	16,829,260	16,687,067	17,185,876
Police Department	83,343,695	85,776,419	85,995,398	87,180,082	88,903,307
Public Works & Utilities	35,424,954	33,476,921	33,402,332	38,060,560	38,940,324
Transit	4,775,080	3,775,080	3,775,080	3,775,080	3,775,080
Transfers	1,772,698	2,208,981	2,208,981	2,247,046	2,279,695
Other	4,062,672	10,376,175	7,942,464	9,819,651	11,502,644
Shrinkage	0	(3,866,216)	(3,898,104)	(3,876,099)	(3,926,010)
Total General Fund Expenditures	\$227,296,161	\$236,731,729	\$235,928,232	\$244,213,328	\$250,035,839
Budgeted Income / (Loss)	\$1,837,251	\$0	\$0	\$0	\$0
Unencumbered Fund Balance:					
January 1	\$29,485,659	\$29,483,028	\$32,322,910	\$32,322,910	\$32,322,910
December 31	\$32,322,910	\$29,483,028	\$32,322,910	\$32,322,910	\$32,322,910
Percent of Expenditures	14.2%	12.5%	13.7%	13.2%	12.9%

GENERAL FUND	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 REVISED
Budgeted Operating Revenues					
Property Taxes	\$73,242,447	\$73,908,585	\$75,174,948	\$76,625,353	\$78,109,874
Motor Vehicle Taxes	10,828,581	10,872,068	11,587,301	11,621,335	11,914,897
Local Sales Taxes	27,839,177	28,638,617	28,939,207	28,557,694	28,916,036
Motor Fuel Taxes	14,434,790	14,616,935	14,915,074	15,127,235	15,279,913
Liquor Taxes	1,867,487	1,963,335	2,038,782	2,074,735	2,120,720
Franchise Fees	41,863,247	44,304,262	44,766,245	45,563,488	47,008,775
Licenses and Permits	2,504,438	2,317,736	2,649,957	2,818,831	3,028,718
Charges for Services	8,060,216	15,890,254	18,342,146	16,430,349	18,200,806
Rental Income	2,129,515	2,375,230	2,347,885	2,335,423	2,285,221
Transfers In	5,227,338	4,983,720	4,874,946	6,073,192	5,966,222
Interest Earnings	846,114	1,475,455	1,980,147	3,782,188	4,500,000
Fines and Penalties	9,850,624	9,751,773	9,120,404	8,270,546	9,207,410
Administrative Charges	3,275,371	3,789,532	3,678,608	3,761,582	3,903,719
Reimbursements	10,482,217	3,998,202	4,074,032	6,091,461	5,485,921
Total Operating Revenues	\$212,451,562	\$218,885,704	\$224,489,682	\$229,133,412	\$235,928,232
Budgeted Operating Expenditures					
Wages	110,251,268	113,102,629	117,575,414	118,884,880	129,153,787
Health Insurance	19,262,356	20,419,072	21,620,036	22,313,232	26,041,007
Other Benefits	25,232,051	24,944,990	25,000,169	24,653,526	28,166,813
Contractuals	40,356,634	42,257,285	45,164,930	46,112,161	45,206,454
Commodities	8,743,602	8,515,995	7,439,719	7,845,893	8,454,344
Capital Outlay	80,174	1,032,377	236,481	127,204	184,630
Transfers	6,940,320	7,587,689	5,920,703	7,359,264	7,732,480
Shrinkage	0	0	0	0	(9,011,283)
Total Operating Expenditures	\$210,866,405	\$217,860,037	\$222,957,452	\$227,296,161	\$235,928,232
Operating Margin	\$1,585,157	\$1,025,667	\$1,532,230	\$1,837,251	\$0
Unencumbered Fund Balance:					
January 1	\$25,339,974	\$26,925,131	\$27,950,798	\$29,485,659	\$32,322,910
Liquidation of Hyatt reserve funds	\$0	\$0	\$0	\$1,000,000	\$0
December 31	\$26,925,131	\$27,950,798	\$29,483,028	\$32,322,910	\$32,322,910
Percent of Expenditures	12.7%	12.8%	13.2%	14.2%	13.7%
Assessed Valuation	\$3,124,330	\$3,148,264	\$3,191,582	\$3,270,189	\$3,365,220
Increase In Assessed Valuation	0.4%	0.8%	1.4%	2.5%	2.9%
General Fund Mill Levy	24.003	24.114	24.177	24.117	24.156
Debt Service Fund Mill Levy	8.506	8.537	8.509	8.508	8.511
Total Mill Levy	32.509	32.651	32.686	32.625	32.667

Note: Amounts shown in thousands of dollars. Totals may not be exact due to rounding.

GENERAL FUND	2019 PROPOSED	2020 PROJECTED	2021 PROJECTED	2022 PROJECTED	2023 PROJECTED
Budgeted Operating Revenues					
Property Taxes	\$84,303,187	\$87,216,487	\$90,064,587	\$94,050,024	\$97,169,797
Motor Vehicle Taxes	12,718,119	13,036,071	13,361,973	13,696,022	14,038,423
Local Sales Taxes	29,124,388	29,930,234	30,229,536	30,531,832	30,837,150
Motor Fuel Taxes	15,431,862	15,585,331	15,740,334	15,896,888	16,055,007
Liquor Taxes	2,205,548	2,293,770	2,362,583	2,433,461	2,506,464
Franchise Fees	47,661,298	48,819,707	50,027,159	51,278,529	52,561,297
Licenses and Permits	3,100,406	3,100,406	3,162,414	3,225,662	3,290,176
Charges for Services	18,381,972	18,215,678	18,494,432	18,778,641	19,068,413
Rental Income	2,362,321	2,362,321	2,409,567	2,457,759	2,506,914
Transfers In	5,591,719	5,803,147	5,973,877	6,150,647	6,333,675
Interest Earnings	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Fines and Penalties	9,654,885	9,959,720	9,959,720	9,959,720	9,959,720
Administrative Charges	3,900,665	3,900,665	3,978,678	4,058,252	4,139,417
Reimbursements	5,276,958	5,312,302	5,456,352	5,604,458	5,756,736
Total Operating Revenues	\$244,213,328	\$250,035,839	\$255,721,213	\$262,621,895	\$268,723,187
Budgeted Operating Expenditures					
Wages	133,765,536	136,713,036	139,447,297	142,236,243	145,080,968
Health Insurance	28,014,890	30,256,081	32,676,568	35,290,693	38,113,949
Other Benefits	27,746,317	28,020,504	28,580,914	29,152,532	29,735,583
Contractual Expenditures	48,803,103	49,205,067	50,189,168	51,192,952	52,216,811
Commodities	8,307,598	8,266,618	8,349,284	8,432,777	8,517,105
Capital Outlay	147,500	147,500	148,975	150,465	151,969
Transfers	7,921,355	7,878,715	8,036,289	8,197,015	8,360,955
Shrinkage	(10,492,969)	(10,451,682)	(10,660,716)	(10,873,930)	(11,091,409)
Total Operating Expenditures	\$244,213,328	\$250,035,839	\$256,767,779	\$263,778,747	\$271,085,931
Operating Margin	\$0	\$0	(\$1,046,565)	(\$1,156,851)	(\$2,362,743)
Unencumbered Fund Balance:					
January 1	\$32,322,910	\$32,322,910	\$32,322,910	\$31,276,344	\$30,119,492
Liquidation of Hyatt reserve funds	\$0	\$0	\$0	\$0	\$0
December 31	\$32,322,910	\$32,322,910	\$31,276,344	\$30,119,492	\$27,756,749
Percent of Expenditures	13.2%	12.9%	12.2%	11.4%	10.2%
Assessed Valuation	\$3,482,010	\$3,594,755	\$3,709,881	\$3,853,819	\$3,984,861
Increase In Assessed Valuation	3.5%	3.2%	3.2%	3.9%	3.4%
General Fund Mill Levy	25.167	25.167	25.167	25.167	25.167
Debt Service Fund Mill Levy	7.500	7.500	7.500	7.500	7.500
Total Mill Levy	32.667	32.667	32.667	32.667	32.667

Note: Amounts shown in thousands of dollars. Totals may not be exact due to rounding.

Revenue Summary - General Fund



FINANCIAL SUMMARIES

GENERAL FUND REVENUE	2017 ACTUAL	2018 ADOPTED	2018 REVISED		2019 PROPOSED		2020 PROJECTED	
	Amount	Amount	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
PROPERTY TAXES	76,625,353	78,470,644	78,109,874	1.9%	84,303,187	7.9%	87,216,487	3.5%
MOTOR VEHICLE TAXES	11,621,335	12,239,239	11,914,897	2.5%	12,718,119	6.7%	13,036,071	2.5%
LOCAL SALES TAXES	28,557,694	29,812,846	28,916,036	1.3%	29,124,388	0.7%	29,930,234	2.8%
INTERGOVERNMENTAL:								
Motor Fuel Taxes	15,127,235	15,352,926	15,279,913	1.0%	15,431,862	1.0%	15,585,331	1.0%
Liquor Taxes	2,074,735	2,205,147	2,120,720	2.2%	2,205,548	4.0%	2,293,770	4.0%
Total Intergovernmental	17,201,970	17,558,073	17,400,633	1.2%	17,637,410	1.4%	17,879,101	1.4%
FRANCHISE FEES								
Electric	27,404,564	29,008,999	28,353,727	3.5%	29,214,634	3.0%	30,091,076	3.0%
Natural Gas	6,148,863	5,912,000	6,663,315	8.4%	6,173,371	-7.4%	6,173,371	0.0%
Water Utilities	6,816,485	7,097,062	6,908,701	1.4%	7,193,064	4.1%	7,489,507	4.1%
Other	5,193,576	5,207,063	5,083,031	(2.1%)	5,080,229	-0.1%	5,065,753	(0.3%)
Total Franchise Fees	45,563,488	47,225,124	47,008,775	3.2%	47,661,298	1.4%	48,819,707	2.4%
LICENSES AND PERMITS	2,818,831	3,429,268	3,028,718	7.4%	3,100,406	2.4%	3,100,406	0.0%
CHARGES FOR SALES & SVCS.	16,430,349	18,409,472	18,200,806	10.8%	18,381,972	1.0%	18,215,678	(0.9%)
RENTAL INCOME	2,335,423	2,301,220	2,285,221	(2.1%)	2,362,321	3.4%	2,362,321	0.0%
TRANSFERS IN:								
Landfill Post Closure	150,000	150,000	150,000	0.0%	150,000	0.0%	150,000	0.0%
Convention Center Losses	2,296,093	2,450,717	2,397,533	4.4%	2,509,450	4.7%	2,632,656	4.9%
Special Park and Rec.	2,180,000	2,300,000	2,241,041	2.8%	2,205,548	-1.6%	2,293,770	4.0%
Other	1,447,099	726,721	1,177,648	(18.6%)	726,721	-38.3%	726,721	0.0%
Total Transfers	6,073,192	5,627,438	5,966,222	(1.8%)	5,591,719	-6.3%	5,803,147	3.8%
INTEREST EARNINGS	3,782,188	3,000,000	4,500,000	19.0%	4,500,000	0.0%	4,500,000	0.0%
OTHER REVENUE:								
Fines and Penalties:								
Municipal Court	7,950,508	9,129,000	8,860,410	11.4%	9,310,910	5.1%	9,627,910	3.4%
Library	320,034	397,400	347,000	8.4%	343,975	-0.9%	331,810	-3.5%
Total Fines & Penalties	8,270,542	9,526,400	9,207,410	11.3%	9,654,885	4.9%	9,959,720	3.2%
Administrative Charges	3,761,584	3,725,635	3,903,719	3.8%	3,900,665	-0.1%	3,900,665	0.0%
Reimbursements	6,091,463	5,406,370	5,485,921	-9.9%	5,276,958	-3.8%	5,312,302	0.7%
Total Other Revenues	18,123,589	18,658,405	18,597,050	2.6%	18,832,508	1.3%	19,172,687	1.8%
TOTAL GF REVENUE	\$229,133,412	\$236,731,729	\$235,928,232	3.0%	\$244,213,328	\$3.5%	\$250,035,839	2.4%



Honorable Mayor Jeff Longwell,
Members of the Wichita City Council

July 17, 2018

Dear Mayor Longwell and Members of the City Council:

This is an exciting time to call Wichita home. There is a renewed pride among residents. From the proliferation of the Wichita flag (boosted in part by a generous donation of flags for every City police and fire station by Together Wichita), to new license plates sporting the Wichita flag (and supporting the Wichita Parks Foundation) - the Wichita flag has never had more exposure. It's on murals, bumper stickers, shirts, and even suits! It's exciting to see enthusiasm and pride in our City, but it also highlights the incredible responsibility each year of preparing and adopting the annual City Budget. It is important to have a sustainable framework to provide excellence in core, priority government services - to position Wichita for the future. With that in mind, the 2019 Proposed Budget is presented to the governing body for consideration.

ALIGNMENT WITH THE CITY'S VISION, MISSION AND VALUES

The City of Wichita is a large and dynamic organization, providing many services to residents and visitors. In spite of the diversity of services and the organizational complexity, fundamentally every activity, strategy, and outcome is guided by a clear vision, a simple mission, and values. The 2019-2020 Proposed Budget is a plan to provide services to residents, based on our vision, our mission and our values.

The City vision is to be a leading-edge organization serving a dynamic and inclusive community. Based on this vision, the City Council adopted a clear and simple mission statement:

As an exceptionally well-run city, we will:

- ***Keep Wichita safe,***
- ***Grow our economy,***
- ***Build dependable infrastructure and***
- ***Provide conditions for living well.***

The Budget funds strategies that align to the City's mission. However, to provide clarity on the most important activities provided by the City, activities of all departments were categorized as either "untouchable" or "touchable." "Untouchable" activities are those activities that are legally required, intrinsic to what residents expect from the department, or are things peer departments in other cities typically provide. Examples include police patrol services, fire and medical emergency response and pavement maintenance. These most important areas are where the City is striving for excellence, and the 2019 Proposed Budget allocates increasing resources to these areas. In contrast, "touchable" activities are those that are linked to the City's mission and provide important outcomes for residents, but are more discretionary in terms of whether they are funded by the City and at what level of outcomes they are funded. Throughout the 2019-2020 Proposed Budget process, proposed funding reductions are primarily focused on these activities.



Finally, it is important to recognize the influence that the City's values have, not only on operating strategies, but also on how budget recommendations are developed and presented. To accomplish its mission, the City anchors its work in its core values of trust and service. Trust means: Respect, Empowerment, Ethics, Stewardship, Integrity, Engagement, and Family. Service means: Professionalism, Innovation, Excellence and Equity. To summarize, everything the City does, including developing and proposing annual budget recommendations, is based on the City's mission, which is guided by the City's values.

OPERATING ENVIRONMENT

In developing the annual City Budget, it is important to be cognizant of the environment in which the City operates. In this dynamic and complex environment, it is advisable to identify potential external threats that could impact the City. The City of Wichita serves as a regional economic hub for more than one million people. In addition, Wichita businesses operate in a global economy, providing products and services to customers throughout the world. The City of Wichita is a legal entity authorized by the State of Kansas and is impacted by state legislation.

LOCAL ECONOMY - The Wichita economy has several positive factors that suggest that the local economy will continue to grow. The Wichita State University (WSU) Center for Economic Development and Business Research (CEDBR) Current Conditions Index is designed to give an indication of the present condition of the Wichita metropolitan area economy. The WSU Current Conditions Index in April 2018 was reported at 95.2, consistent with the past several years, and higher than the 91 level over the most recent recession. The WSU Leading Indicators Index, which is designed to give an indication of where the Wichita economy is headed over the next six months, continues to be steady at 95.5 (measured in April 2018), consistent with the past few years.

Total employment in the Wichita Metropolitan Statistical Area (MSA), as reported by the Bureau of Labor Statistics, continues to improve, with employment reported at 299,000 in April 2018, an increase of 2,700 over April 2017 and 5,100 over April 2016. The Wichita area unemployment rate declined for the seventh consecutive year. In 2018 the unemployment rate continues to be low, at a reported 3.90% in April 2018.

Assessed valuation continues to rebound, with growth in 2018 estimated at a healthy 3.5%. Housing demand has continued to grow, with 2017 total home sales nearing the pre-recession peak from 2006, and the median sales price reaching a new high in 2017. The nonresidential real estate market also continued to improve in 2017; the value of nonresidential building permits was more than double that of 2016, with several large remodeling and renovation projects causing much of the increase. Declining vacancy rates and increased rents are indicators of the improving market conditions and increased demand in the office, retail, and industrial markets.

In addition, a number of key employers in Wichita are expanding, with additional investments in the community and plans to add to employment levels. Spirit Aerospace has committed to over \$1 billion in improvements to its Wichita facilities and plans to hire an additional 1,000 employees. The Cargill Protein Group Headquarters is under construction, which is expected to result in expanded employment in Wichita. The \$60 million project is near Old Town on Douglas Avenue. Another positive development are employment levels for Bombardier Aerospace, which are expected to increase in the second half of 2018 when interior completions work for the Global 5000 business jet is located in Wichita on the Dwight D. Eisenhower National Airport site.

However, it is important to also note that several indicators are less optimistic, reflecting continued challenges in the local economy. Nominal retail sales continue to be relatively flat, and earnings, while increasing, remain below previous levels. Although the local economy is currently expanding at a moderate pace, the possibility of a recession in the future should be thoughtfully considered based on past business cycles. Any recession would likely have an immediate downward impact on several City revenue sources, including sales tax and motor vehicle tax collections. After a lag period, a recession would likely diminish growth in the assessed valuation base. While the City is aggressively pursuing a number of policies and strategies to facilitate local economic expansion, any future economic downturn could have a significant impact on City finances.

PROPERTY TAX LID - Another challenge for the City of Wichita is presented by the property tax lid enacted by the Kansas Legislature. The property tax lid requires voters to pre-approve any attempt to exceed the property tax lid limitations. The City has a long history of maintaining a stable mill levy and aggressively controlling expenditures. However, the tax lid does reduce future flexibility to respond to citizen feedback. Fortunately, the Legislature very prudently included several exemptions to the tax lid, including an exemption for public safety costs and for debt service. However, any City attempts to address improvements to non-exempt areas, including quality of life, street maintenance, and transit services could be complicated by the tax lid.

ENGAGEMENT IN THE 2019 PROPOSED BUDGET

Consistent with the City's values, engagement continues to be very important in the development of the Proposed Budget. This engagement initially began with a series of three retreats held with the City Council in February, April and May 2018. This process provided guidance from the governing body on key budget policies.

Citizen engagement is also essential, and helps guide recommendations related to the 2019 Proposed Budget. For the seventh consecutive year, the City held a Social Media Town Hall event to share service delivery issues and receive feedback. This continues to be a very effective means of reaching residents and collecting feedback. The event's combined reach was 134,741 between Facebook, Twitter, and Nextdoor. There were more comments than prior years, with quite a bit of activity on Nextdoor, though the Facebook platform lends itself more to reactions. Feedback generally included concerns about several potential options, including adjusting street sweeping outcomes and reducing School Resource Officer staffing. Staff also continued the more traditional budget presentations at each of the six City Council District Advisory Board (DAB) meetings. Finally, a variety of other channels are used by the Communications Team staff to enhance engagement. These efforts included posting videos of budget workshops and other budget presentations online (in addition to broadcasting them on City Channel 7), utilizing social media platforms to announce key dates and presentations and providing a variety of budget-related documents on the City's website at www.wichita.gov.

SOCIAL MEDIA TOWN HALL PARTICIPATION				
	FACEBOOK	TWITTER	NEXTDOOR	TOTAL
Reach	80,974	21,807	31,960	134,741
Comments	556	30	352	938
Reactions	665	75	43	783

FINANCIAL PLAN

Perhaps two of the most important City values are stewardship and professionalism. Both values guide the financial planning process that is integral to the 2019 Proposed Budget. Each year, a Financial Plan is developed, including a longer term view with five-year projections. Although projecting for that length of time is challenging at best, the plan identifies potential issues and trends, providing time for thoughtful and strategic responses and potential policy direction.

TOTAL CITY REVENUES AND EXPENDITURES: The 2019 Proposed Budget includes \$600,956,164 in expenditure authority among all of the City's funds (net of interfund transactions and not including Trust funds). For the 2018 Revised Budget, total expenditure authority of \$548,665,379 is included; an increase of \$56.8 million over 2017 actual expenditures. This includes appropriated reserves of \$10.1 million (excluding General Fund appropriated reserves), and Water and Sewer Utility Fund increases of \$20.7 million. The 2019 Proposed Budget of \$600,956,164 represents an increase of \$52.3 million over the 2018 Revised Budget. However, a significant portion of the increased expenditures budgeted in 2018 (\$36.9 million) is related to the appropriation of reserves, consistent with State statute. These reserves will most likely not be spent, but State law requires that any amount of fund balance in excess of 5% of expenditures be appropriated. After adjusting for appropriated reserves, the budget growth is \$18.4 million in 2019; an increase of 3.3%. This growth is largely due to increases in General Fund expenditures (\$8.3 million) and the Water Utility Fund (\$3.2 million).



GENERAL FUND: The General Fund is used to finance City services cited by residents as the most important, including police operations, fire protection, parks, transit, and infrastructure maintenance. General Fund expenditures account for nearly half of the entire City budget. Expenditures in the General Fund are aligned with revenues, resulting in a balanced budget in 2019. However, consistent with financial forecasts from previous years, maintaining a balanced General Fund budget in the future will require continued diligence and foresight. Revenues are expected to continue growing. However, many revenues are significantly impacted by environmental and technology changes. For example, increasing remote sales continue to impact sales tax revenues. Franchise fee revenues for cable television continue to be flat due to the many alternatives available with new technology. Franchise fee revenue for telecommunications continues to decline, based on the continual erosion of land-line telephones. Ongoing improvements in vehicle fuel efficiency and other energy conservation technologies continues to impact motor fuel tax and utility franchise fees receipts. Despite these challenges, the City has a long history of balancing the budget annually.

RESERVE LEVELS: The projected balance in the General Fund will be \$31.3 million, which is an estimated 12.8% of expenditures in 2019, exceeding the 10% policy minimum. Reserve levels are very important for a variety of reasons. Reserves provide liquidity for the City, which is particularly important in the event of emergencies, unforeseen circumstances, or downturns in revenues. Reserves also ensure adequate cash flow to fund City operations. However, perhaps one of the most important reasons to maintain (and increase) reserve levels is the impact of reserves on the City's bond ratings. Maintaining consistent bond ratings is very important to mitigate borrowing costs. The rating is based on multiple factors, including existing reserve balances. The City has consistently maintained favorable bond ratings, and has enjoyed competitive access to capital markets. However, rating agencies consistently note the importance of reserve levels in their ratings models, and the negative consequences any erosions in reserve levels could have on the City's rating. The rating agencies tend to focus on any draws in existing reserve balances.

MILL LEVY RATE: The General Fund budget is based on a mill levy rate of 25.167 mills, or one mill higher than the 2018 levy. This additional mill is shifted from the Debt Service Fund mill levy rate. The total mill levy rate for the City is estimated at 32.667 mills in 2019, equal to the rate levied in 2018.

STABLE MILL LEVY RATE		
	2018 ADOPTED	2019 PROPOSED
General Fund	24.156	25.167
Debt Service Fund	8.511	7.500
TOTAL	32.667	32.667

GENERAL FUND EXPENDITURE GROWTH: General Fund expenditures in 2018 are projected to increase by \$5.5 million, or 3.8%, over 2017 expenditures, with 2019 growth of \$8.2 million, or 3.5%. Generally, these modest increases are for wages and benefits costs. Additional growth components in 2019 include funding implementation of Phase I of the Police staffing plan, additional staff associated with the new Advanced Learning Library, and a shift of the Call Center from the Water Utility Fund (offset by reimbursement revenue) to the General Fund.

In contrast to revenues, expenditures are dominated by salaries and benefits. Base wages are a function of employee demographics, union wage settlements, and the number of positions filled. Benefits costs are more challenging. Although the City has aggressively pursued strategies to moderate growth rates, health insurance costs (which total nearly 11% of General Fund expenditures) are budgeted to grow 8% annually. The City Council has traditionally and prudently fully funded the actuarial

LONG-TERM GENERAL FUND FINANCIAL PLAN (Dollars in Millions)						
	2018 REVISED	2019 PROPOSED	2020 PROJECTED	2021 PROJECTED	2022 PROJECTED	2023 PROJECTED
Revenues	\$235.9	\$244.2	\$250.0	\$255.7	\$262.6	\$268.7
Expenditures	\$235.9	\$244.2	\$250.0	\$256.8	\$263.8	\$271.1
Margin	\$0.0	\$0.0	\$0.0	(\$1.1)	(\$1.2)	(\$2.4)
EXPENDITURE GROWTH	3.8%	3.5%	2.4%	2.7%	2.7%	2.8%



recommendations for pension contribution rates, which is reflected in the funded ratios of the City's pension plans, which are higher than their peers. However, adverse market conditions, or changes in actuarial assumptions, can potentially impact pension contribution growth rates.

In light of these challenges in the General Fund, it is imperative to consider strategies to both limit expenditure growth and enhance revenue growth. Staff will continually examine best practices and cost structures, with the objective of minimizing the costs of providing City services. Concurrently, staff will continue efforts to enhance cost recovery. This effort began last year, and is based on the strategy of developing appropriate cost recovery rates for services and an analysis of which limited scope services do not fully recover costs based on the continuum model.

OTHER FUNDS - The City budget is comprised of 28 additional funds. These funds are reviewed in greater detail in the Financial Plan section. Generally, most of the City's other funds are stable, with adequate reserves and favorable forecasts. Two funds merit further discussion.

- ♦ **Transit Fund.** The long-term outlook after 2022 for Transit continues to be challenging. In 2016, the City Council approved an additional \$4 million (\$1 million a year through 2020) as part of a plan to develop and implement sustainability strategies for Transit. At this point, the forecast does not include any impact from these efforts, which are currently being developed.
- ♦ **Golf Fund.** The golf system continues to face a very challenging future. Nationwide, the golf industry continues to be plagued with unfavorable demographic trends and changing societal patterns. The 2019 Proposed Budget includes recommendations to reduce capacity and modify operating costs. However, as the sport of golf continues to suffer a decline in popularity, continued diligence will be necessary.

KEY RECOMMENDATIONS

Ultimately, the 2019 Budget is a plan that adapts to the challenges posed by the operating environment and allocates resources to produce outcomes consistent with the City's mission. In addition, the recommendations are designed to enhance performance and strive for excellence in "untouchable" activities. To determine the outcomes produced by the City, an extensive performance management system is utilized. Staff report on performance through over 400 measures, many of which are included in this Proposed Budget document. When developing the budget, targets are established for each performance measure. These targets represent the level of performance expected based on the amount budgeted. Not only is transparency enhanced by reporting exactly how well the City performed in certain areas, these targets along with best practices are an important tool to help determine whether the appropriate amount of resources are provided, and whether new operating strategies should be considered.

Keeping Wichita Safe - The 2019 Proposed Budget includes \$3.2 million to enhance "untouchable" policing activities. In 2016, the City utilized a consultant to develop a staffing plan to further improve policing outcomes. This plan was developed based on an examination of current staffing levels and best practices in policing. The plan is divided into three phases and is scalable. Phase I would civilianize several positions, allowing commissioned officers to return to patrol duty. Patrol officers would also be added, with the goal of increasing the amount of proactive police patrols. In Phase I of the Police staffing plan (which is funded beginning in August 2018), a total of 32 new positions will be added.

Police Staffing Plan

- *The Proposed Budget adds \$3.2 million to fund 32 new positions in the Police Department. This funding will enhance pro-active patrolling and enhance community safety.*

The 2019 Proposed Budget also includes the planned implementation of changes in the Fire deployment model to enhance outcomes in "untouchable" fire and emergency response activities. The new deployment model will staff Fire engines with crews of four firefighters each, based on best practices research. Currently, this deployment

Fire Deployment Model

- *The Fire Department will implement a new deployment model, focusing on enhancing fire and emergency medical response services.*

model is used for five of the department's engines. Concurrently, training and strategic management resources will be enhanced. This deployment model will adjust strategies to respond to non-emergency medical calls (considered a "touchable" activity) by utilizing civilian EMT positions employing more efficient non-emergency vehicles. The realignment is expected to improve "untouchable" outcomes, while reducing costs in the long-term.

School Resource Officers

- *The Budget continues to fund School Resource Officers, in partnership with USD 259. However, the program will be reviewed to enhance the focus of staff on mentoring and teaching.*

The 2019 Proposed Budget includes \$908,849 to fund all seven existing SRO positions and operating costs, which is split equally with Wichita Public Schools (USD 259). This program received favorable feedback during the Social Media Town Hall discussion. However, the program will be refocused on community policing outcomes, such as mentoring, teaching and awareness training. Additionally, a focus on restorative justice is a priority for the school district and the City of Wichita in order to introduce fewer students into the judicial system.

To reduce expenditures in a "touchable" area, the 2019 Proposed Budget includes a recommendation to reduce City staffing at the Animal Shelter and transition operations to a private operator. Operating the shelter dilutes the City's focus from the "untouchable" activity of Animal Control, and contracting for the operation of the shelter is consistent with the Police Staffing Plan report.

Animal Shelter

- *The Police Department will seek a private partner to operate the Animal Shelter, to reduce City costs and enhance focus on Animal Control duties.*

Dependable Infrastructure - The 2019 Proposed Budget includes additional funding for drainage improvements and system maintenance. These additional expenditures are possible due to the rate adjustments approved by the City Council on April 18, 2017. Funding for both neighborhood drainage projects and hot spot repairs has been increased. The Stormwater Fund will also have capacity to fund continued CIP expenditures related to maintaining the Wichita Valley Center Flood Control Project. Additional resources will also be available for drainage improvements, although funding the most critical drainage improvement remains a challenge.

Street Maintenance, an "untouchable" activity, continues to be prioritized. A total of \$10 million is allocated for the Outsourced Pavement Prevention Program (OP3) in 2019, an increase from the \$8 million budgeted in 2018. Longer term, street maintenance funding is scheduled to continue increasing, to a level of \$13 million by 2024.

Pavement Maintenance

- *Pavement maintenance funding will increase to \$10 million in 2019 (combining operating budget and CIP resources).*

The Budget allocates \$3.8 million from the General Fund annually to support Transit operations. This funding is supplemented with an additional \$1 million annually, for four years. This was approved by the City Council in December 2016 from the proceeds of the Hyatt sale in an effort to develop sustainability strategies for Transit. With this funding, the Transit Fund should be stabilized until 2022. During this time, staff will be tasked with developing recommendations to ensure sustainability beyond 2022.

The current levels of street sweeping are funded in the 2019 Proposed Budget. However, since sweeping in excess of levels targeted in the Storm Water Management Plan is considered a "touchable" activity, sweeping may be reviewed in the future and a recommendation to reduce service levels is possible.

Living Well - The 2019 Proposed Budget continues current funding levels for the Park and Recreation Department, including funding for the current level of outsourced mowing. In addition, a continuation of the forestry improvements approved in 2015 are funded.



With the opening of the Advanced Learning Library, an additional five additional full-time staff and six part-time staff are included to support planned service levels. However, considering the impact the Advanced Learning Library is expected to have on other branches, the 2019 Proposed Budget recommends the closure of the Linwood branch in 2019 and the Evergreen branch in 2020.

Funding continues to be allocated to cultural institutions in the 2019 Proposed Budget. However, two strategic adjustments are recommended. In 2020, most funding for Cowtown is recommended to be shifted to an operating subsidy, though the City will retain building maintenance responsibilities. This approach is consistent with the funding model for the Wichita Art Museum, and will enhance flexibility for non-profits operating these institutions. Finally, funding is recommended to remain unchanged for the other institutions.

Growing our Economy - The 2019 Proposed Budget includes a plan to consolidate economic development funding with the Greater Wichita Partnership (GWP), to enhance both accountability and outcomes. In addition, adjustments to several economic development fees are proposed in order to offset costs of economic development activities. In an effort to enhance strategic planning of infrastructure improvements and to coordinate mobility efforts, staff continue to develop options to create a new Transportation Department. This new department would consolidate project planning and mobility management staff to enhance infrastructure planning and operations.

Promoting Economic Development

- *City economic development funding will be consolidated with the Greater Wichita Partnership, to increase outcomes and accountability.*

Well-Run City - The 2018 Proposed Budget is funded with an estimated mill levy of 32.667 mills, equal to the 2018 rate. This taxing rate continues to be one of the lowest in the Metropolitan Statistical Area. The 2019 Proposed Budget would retain General Fund reserves estimated at \$31.3 million.

Low and Stable Mill Levy Rate

- *For the Twenty-fifth consecutive budget, the mill levy rate will be equal to the prior year. Wichita mill levy rate is also expected to remain one of the lowest in the area.*

BUILDING ON PAST ACHIEVEMENTS

Although the 2019 Proposed Budget process is forward-looking and provides an operating and financial plan, the development and presentation of the Budget is designed to build upon the many accomplishments of the past year. With prudent leadership and direction provided by the City Council, and a professional staff to implement that policy direction, many great things have been accomplished. Some of these include:

- ◆ In January, the new Law Enforcement Training Center was opened. This facility, which is located on the WSU Innovation Campus, is a partnership between the Sedgwick County Sheriff's Office and the Wichita State University School of Criminal Justice.
- ◆ The Advanced Learning Library, highlighted on the cover, opened in June 2018. This facility integrates technology and collaborative learning in order to provide a space for Wichitans of all ages to learn.
- ◆ Wichita Dwight D. Eisenhower National Airport set a passenger traffic record in 2017. Alaska Airlines began nonstop service to Seattle in April 2017, and Frontier Airlines will start nonstop service to Denver in August 2018.
- ◆ Proceeds from the sale of the Hyatt Hotel have been directed toward community programs and improvements. In addition to residential street maintenance and transit, improvements to Pawnee Prairie Park and the Pracht Wetland Park are ongoing. An innovative pilot program in southeast Wichita has resulted in an alternative approach to code enforcement that has resulted in improved outcomes.
- ◆ The West Bank TIF district, near the Advanced Learning Library, is undergoing dramatic changes. The \$38 million River Vista project is nearing completion. The improvements to the riverfront and adjacent Delano Park will improve river recreation opportunities. STAR Bond approval has been received for additional transformational improvements in the West Bank area.



- ◆ The Housing and Community Services Department was awarded admittance into the Rental Assistance Demonstration (RAD) pilot program, which is part of the U.S. Housing and Urban Development's massive two-year redevelopment program. Nearly 600 public housing units will be rehabilitated or rebuilt.
- ◆ In the midst of such investment, the City of Wichita continued its focus on financial sustainability. As a reflection of solid financial management, the City maintained its General Obligation Bond Ratings of Aa+ from Standard & Poor's Financial Services and Aa1 from Moody's Investors Service, which results in lower borrowing costs.
- ◆ Health insurance premiums for 2018 are only 2.6% higher than 2017 rates, which is lower than overall General Fund growth.

CONCLUSION

The development of the Proposed Budget has been a collaborative effort, developed with considerable public engagement. It represents the City's mission and core values, and is carefully assembled to address both present and future needs. The Proposed Budget is also fiscally responsible, and aligns with City Council policy direction to protect core services. The Proposed Budget includes a number of recommendations that are designed to reduce City expenditures in some areas, but these recommendations were all made strategically, to allow resources to be directed to the most important City priorities, and to ensure stable reserve levels and continued financial wellbeing.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert Layton'.

Robert Layton
City Manager

Acknowledgements

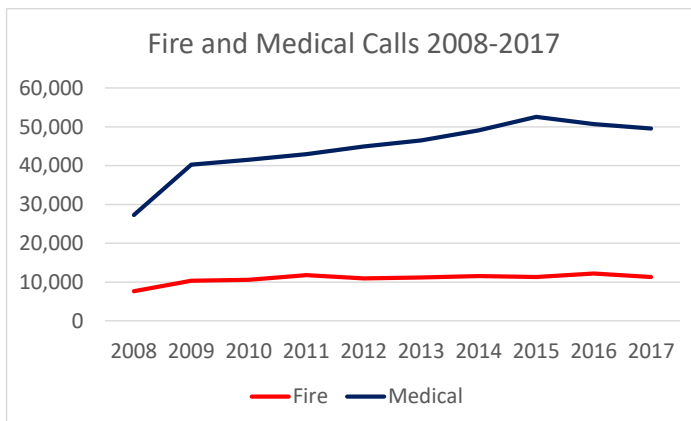
The City's 2019 Proposed Budget is based on the input and contributions of many individuals. Many City staff, including Department Directors and Assistant City Managers Donte Martin and Scot Rigby, played key roles in the budget process. Staff in the Finance Department spent a great deal of time assessing revenue and expenditure trends, refining the performance measurement model, researching policy alternatives, and producing this document. This staff is led by Finance Director Shawn Henning. Budget and Research Office staff includes Budget Officer Mark L. Manning, and analysts Trinh Bui, Elizabeth Goltry Wadle, Lindsey Vogt, and Sean Sandefur. In addition, the communications staff in the City Manager's Office were invaluable in efforts to engage residents throughout the budget process.

1. Realigning Fire Medical Response Strategies

Issue - A proposed Fire deployment model focuses resources on untouchable Fire Department activities: Fire Response and Emergency Medical response. The model will transform the Fire Department and is expected to reduce costs over time.

The Wichita Fire Department (WFD) responds to fire and medical emergency calls for service. These activities are considered untouchable and are directly linked to the City's Mission to keep Wichita safe. In addition, the WFD responds to a large number of low acuity, non-emergency medical calls, which are considered a touchable activity.

The number of responses by the WFD have grown considerably in the past 10 years - from 28,000 in 2008 to nearly 50,000 in 2017. Nearly 80 percent of these calls are medical calls, and many of those are low acuity (or non-emergency calls). Under the current deployment model, Fire staff responded to all of these calls with commissioned fire staff and fire equipment. With the growth in non-emergency medical calls, this deployment strategy dilutes the capacity to focus on fire and medical emergency response calls.



The department has taken a number of steps to mitigate the impact of non-emergency medical calls. For example, staff no longer respond to non-emergency calls at facilities that have trained medical staff. In order to continue focusing on the Fire Department's mission and untouchable activities, a departmental realignment is proposed. The realignment would focus departmental efforts, commissioned fire staff and resources on responses to fire and other high acuity incidents. In addition, the realignment would strengthen training, safety, improve administrative support capabilities for supporting high acuity incidents, and increase tactical and strategic planning and management capabilities.

The realignment plan was designed holistically, meaning each piece is inter-related and dependent on the implementation of the entire plan. When implemented, this realignment should enhance outcomes that are most important (the untouchable activities of fire

response, emergency medical response and special operations). The Department would continue responding to non-emergency calls, but with a revised strategic model that would utilize smaller, more efficient equipment and civilian staff with basic life support skills.

Proposed Staffing Model - To right-size commissioned staff and enhance capacity on untouchable services, the fire deployment model would shift to a staffing model consisting of four staff per fire engine at each of the City's Fire stations. This deployment model is currently used in five Fire stations. Concurrently, 14 squad trucks would be eliminated. However, three specialty trucks would be staffed and an additional ladder truck would be staffed.

The proposed new model would increase the number of fully staffed fire suppression vehicles to 29, which would create a greater level of resources for fires, car crashes and emergency medical calls. All fire engines would be staffed by four personnel, (currently only five of 21 engines are staffed with four persons). A 2010 National Institute of Standards and Technology (NIST) report co-sponsored by the International Association of Firefighters (IAFF) and the International Association of Fire Chiefs (IAFC) took into consideration the increasing demands on the fire service, such as the growing number of medical responses, natural disasters, and hazardous materials incidents. The report provided scientifically based information of the effect of crew sizes and arrival times as it pertains to effectiveness of the fire service to protect lives and property. The report analyzed 22 essential fire ground tasks, and concluded that an overall 30% improvement was made with four-person crews as opposed to three-person crews.

The smaller squad trucks that are currently used primarily for medical responses would be eliminated. This equipment is useful for transporting crews to fire scenes, but otherwise is relatively ineffective as a fire response unit. In addition, the squad trucks generally used for medical calls are larger (and more costly to operate) than is often needed. The recommendations in this option would eliminate all 14 active units from service (as well as five spares).

This strategic shift will be implemented over several years. Positions would be reallocated as turnover occurs; no current staff would be displaced. The total cost of this organizational transformation is expected to be minimal, and over the long term, be less expensive than the current structure.

2. Investing in Pavement Maintenance

Issue - The operating budget and Capital Improvement Program include significant and increasing levels of funding for pavement maintenance. Pavement maintenance is an untouchable activity, and is directly aligned to the City's mission of building dependable infrastructure.

Maintenance of the City street network is directly linked to the City's mission. Currently, \$8 million is budgeted, but this amount is projected to rise to \$13 million annually by 2024. The annual Outsourced Pavement Preservation Program (OP3) uses a data-driven strategy to determine which contracted street maintenance rehabilitation projects are to be completed each year—to maximize the return of investment in the City's street network. Street maintenance is funded from both the operating budget and Capital Improvement Program. This is in addition to funding for residential street maintenance that was designated from some of the proceeds of selling the Hyatt hotel.

The investment in pavement maintenance, coupled with the data-driven approach to selecting locations and rehabilitation methods, has had a positive impact on the overall condition of Wichita's street network. The Remaining Service Life in Lane Mile Years has increased from 42,101 in 2014 to 52,510 in 2017. During this period, the value of the paved street network increased from \$444 million to \$563 million.

OUTSOURCED PAVEMENT PRESERVATION PROGRAM			
YEAR	OPERATING BUDGET	CIP	TOTAL
2018	\$0	\$8 million	\$8 million
2019	\$4 million	\$6 million	\$10 million
2020	\$4 million	\$7 million	\$11 million
2021	\$4 million	\$7 million	\$11 million
2022	\$4 million	\$7 million	\$11 million
2023	\$4 million	\$7 million	\$11 million
2024	\$4 million	\$9 million	\$13 million
2025	\$4 million	\$9 million	\$13 million
2026	\$4 million	\$9 million	\$13 million
2027	\$4 million	\$9 million	\$13 million
Total	\$36 million	\$78 million	\$114 million
Note: The Operating Budget amounts are based on the 2019–2020 Proposed Budget. The CIP amounts are based on the 2018–2027 Proposed CIP.			

3. Adjusting Street Sweeping Service Levels

Issue - Levels of service for street sweeping are not recommended in the 2019–2020 Proposed Budget. However, touchable levels of service could be considered for elimination in the future.

The Public Works & Utilities street sweeping activity removes accumulated vegetation and debris from City streets. This strategy is included in the City's Stormwater Management Program (SWMP), which includes measures to control run-off. The SWMP is required by the City's National Pollutant Discharge and Elimination System (NPDES) permit. The SWMP sets targets for sweeping. Those targets are currently set at three rounds a year for arterial streets, one round per week for the central business district and one round per year for residential streets. This minimum level of street sweeping is considered an untouchable City activity.

The City has exceeded the targeted amount of annual sweeping each year. Additional sweeping has been performed for many reasons, including pavement preservation, aesthetics, and community events. However, this additional street sweeping is a touchable activity. During the Social Media Town Hall held in June 2018, residents expressed a great deal of support for the current service levels.

However, sweeping could be curtailed back to the levels included in the SWMP. This would reduce General Fund expenditures by an

estimated \$488,395 and eliminate six positions. An estimated 11,568 sweeping miles would be eliminated. Most likely, this could impact resident satisfaction with street sweeping activities.

STREET SWEEPING: ALTERNATIVE SERVICE LEVELS			
Current Budgeted Model	Lane Miles	Rounds	Sweeping Miles
Arterials	1,256	3	4,488
Residential	3,339	2	12,074
Central Business District	70	104	4,680
Allowance for Additional Miles			4,191
TOTAL			25,433
SWMP Minimum Model	Lane Miles	Rounds	Sweeping Miles
Arterials	1,256	3	4,488
Residential	3,339	1	6,037
Central Business District	70	52	2,340
Allowance for Additional Miles			1,000
TOTAL			13,865
Difference in Sweeping Miles			(11,568)

4. Consolidating Economic Development Resources

Issue - Delegating responsibility to the Greater Wichita Partnership to coordinate funding to entities that fit within the strategic vision for the region would eliminate duplication, improve efficiency, and promote more effective results. Growing the economy is a key component of the City's mission statement.

The City has independently funded the Wichita Independent Business Association (WIBA), Kansas Global, Greater Wichita Economic Development Coalition (GWEDC), Workforce Alliance, Molera Alvarez, Sister Cities and the Greater Wichita Partnership (GWP). Annually, these various groups approach the City seeking funds for small business assistance, export plan implementation, international business development and business attraction.

In order to improve the coordination of City funding and achieve better results and greater accountability, a model is proposed that would centralize the funding with the Greater Wichita Partnership. The Greater Wichita Partnership would have the responsibility to implement the region's needs within the parameters of the Blueprint for Regional Economic Growth. In order for this proposal to be successful, the City's scope of services provided through the Greater Wichita Partnership would need to be amended to include an increase in funding with the corresponding responsibility to implement small business assistance, workforce/talent development, and domestic and international business attraction.

Starting in 2019, funding for economic vitality services will be provided by the Economic Development Fund. Currently, \$125,000 is funded from the Economic Development Fund and \$650,000 is funded by the General Fund. By having a single consolidated contract, overall savings of \$275,000 are expected. This model will decrease General Fund expenditures by \$650,000, while increasing Economic Development expenditures by \$375,000. In addition, changes to Economic Development user fees are recommended to enhance cost recovery and ensure adequate resources for the funding recommendations.

ECONOMIC VITALITY SERVICES			
	CURRENT MODEL	CHANGE	PROPOSED MODEL
General Fund	\$650,000	(\$650,000)	\$0
Economic Development Fund	\$125,000	\$375,000	\$500,000
Total	\$775,000	(\$275,000)	\$500,000

5. Refocusing School Resource Officers

Issue - Wichita Police Department School Resource Officers were first deployed in 1997. To ensure its continued relevance, the program will be evaluated and updated to enhance the focus on mentoring.

Currently, there are School Resource Officers (SROs) in seven public high schools in Wichita. There was a period from 2000 to 2009 that SROs were deployed to middle schools, as well. Crime data from each school site, as well as community-wide data about overall juvenile crime trends, was analyzed to better understand the impact of removing SROs from middle schools.

When SROs were removed from middle schools, there was an immediate and dramatic decline in crime incidents. A literature review suggests there is nation-wide evidence SROs are often called on to act in place of school staff to resolve disciplinary and security-related incidents, which is reflected in the dataset. Furthermore, literature suggests that the presence of SROs can lead to the criminalization of disciplinary situations, resulting in a "school to prison" pipeline.

When asked about the role of SROs in the Social Media Town Hall on June 21, 2018, residents had overwhelmingly positive feedback

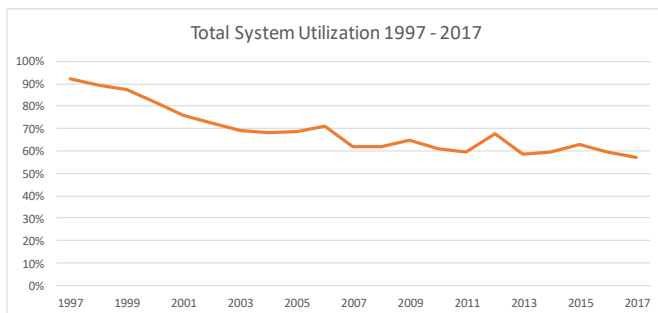
about the presence of police officers in high schools. However, confusion about the role of SROs remains. The SRO strategy is designed to keep residents safe, by providing a positive and mentoring environment for high school youth. However, this role has eroded to some degree, with officers assuming more routine security functions.

The 2019-2020 Proposed Budget includes \$908,849 to fund all seven existing SRO positions and operating costs. This cost is split equally with Wichita Public Schools (USD 259). In the future, SROs will be more focused on community policing outcomes, such as mentoring, teaching and awareness training. Additionally, a focus on restorative justice is a priority for the school district and the City of Wichita in order to introduce fewer students into the judicial system. The refocusing is expected to ensure that SROs remain an effective strategy, aligned to the City's mission.

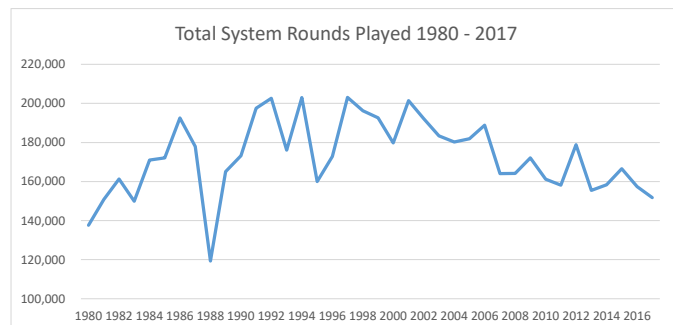
6. Enhancing Golf Fund Sustainability

Issue - For 100 years, the City of Wichita and the Park and Recreation Department have provided public golf for local golfers. Golf operations are self-supporting, but continued declines in rounds have led to overcapacity. As a result, the position of the Golf Fund is perilous, requiring continual fee increases. Even with these increases, no financial capacity exists to fund debt payments or course improvements. To stabilize the Golf Fund and continue self sustainability, the Proposed Budget includes a number of recommendations which have been approved by the Park Board, including closing L.W. Clapp Golf Course, restructuring full-time staffing levels, and closing courses during winter months.

The financial condition of Wichita's golf system has been in a slow but continual decline for over a decade. Many strategies have been used during this time in an attempt to maintain financial sustainability. These strategies included increasing rates, enhancing customer service and expanding marketing, offering alternative services, purchasing modern carts, and promoting youth golfing. In spite of these efforts, the Golf Fund's condition has continued to deteriorate, jeopardizing the system's ability to continue to provide public golf. The fundamental problem is that many Golf Fund expenditures are fixed (and not variable based on the number of rounds played), while the utilization of the golf system has continued to decline.



For at least the past decade, the number of rounds played has steadily fallen, leading to a decrease in course utilization. This is consistent with national trends. Since many costs are fixed, the system adopted several strategies to maintain operating margins. Fee increases were implemented in an attempt to maintain revenue growth in the face of declining rounds. Capital investment, both for course improvements and equipment, was deferred. Debt service payments to the City's Debt Service Fund have been postponed. All of these strategies helped keep the Golf Fund solvent, but not



without cost. Continued fee increases may have contributed to a decrease in rounds played. Deferring capital investment may have increased operating costs, and also contributed to the decline in rounds played by making City courses less attractive to golfers.

To stabilize the Golf Fund, there are three potential options: increase rounds; reduce fixed costs; and reduce capacity. As noted above, staff have been aggressively trying to increase rounds for the past five years, without success. This is likely due to societal and environmental factors that are not unique to Wichita.

To consider options to reduce capacity, a staff committee was formed to take a data-driven view of options. Both quantitative and qualitative criteria were established, through which the existing golf courses were analyzed. An empirical model was developed that evaluated the courses in terms of financial health, demand, the level of required capital investment, land restrictions, and redevelopment opportunities. A decision support tool was created by the Finance Department to help predict financial outcomes based on different scenarios. As a result of this staff analysis, the committee report recommended the closure of L.W. Clapp Golf Course, a strategy that was approved by the Park Board on July 7, 2018.

Since 2012, expenditures at L.W. Clapp Golf Course have continued to outpace revenue by ever-growing margins. As of 2017, the golf course operated at a deficit of \$235,714. L.W. Clapp Golf Course's capital investment and equipment requirements total \$7,965,786. This course has experienced a downward trend in total rounds of play per year since 2005, with a total decline of more than 10,000 rounds.

To reduce operating costs, Park and Recreation staff developed a variety of recommendations that are incorporated in the Proposed Budget. These include reducing the number of full time staff and relying more on part-time seasonal staff, keeping only one course open (on a rolling basis) during eight winter weeks and furloughing staff during the winter.

With the proposed closure of L.W. Clapp Golf Course, there will be an opportunity to re-purpose the park land to better serve the community. A master planning process will be implemented and a stakeholder engagement process launched. The objective of this process will be to ensure that L.W. Clapp Park continues to serve the community for generations to come.

7. Improving Public Safety through Proactive Policing

Issue - Keeping Wichita safe is a component of the City's mission. Since the late 1990's, the Wichita Police Department has employed proactive policing strategies to achieve public safety objectives. This effort, commonly known as "community policing" encourages officers to engage the community in a positive, problem-solving manner. With rising calls for service, proactive policing time has declined, so additional Police positions are recommended to enhance the capacity for proactive policing.

The Wichita Police Department (WPD) has long used the "community policing" strategy to proactively keep Wichita safe. However, reactive policing, due to increased calls for service, has eroded capacity for proactive patrol time, based on current staffing levels. To study this issue, the City Council approved a consultant study on July 12, 2016.

The study noted that time available for proactive policing should not be lower than 40%. However, proactive policing time for the WPD was calculated at 32% overall. In conjunction with a review of proactive policing, the study also evaluated the structure of the WPD and recommended a number of other improvements.

Many of the organizational improvements recommended by the study have been implemented over the past year, as the Police Department structure was realigned. A new Traffic Bureau has been created, and of the Special Community Action Team (SCAT) have been restructured, with a portion of the current staffing being re-assigned to patrol and investigations divisions.

In total, the study recommended the addition of 73 new positions. Staff reviewed the recommendations and developed a three-phased implementation strategy. Phase I of this strategy is funded for implementation beginning in August 2018. This will add 32 additional positions, with staffing expected to be in place no later than November 2018. The specific adjustments in Phase I include:

1. Adding 21 new commissioned positions, including two Sergeants, six Detectives and 13 Officers.
2. Adding 11 civilian positions, including six Community Service Officers, one Crime Analyst Supervisor and four Crime Analysts.
3. Funding operating costs, including fleet charges for new police vehicles.
4. Funding for annual maintenance and storage costs of the body-worn camera system.
5. Funding for one-time capital outlay, including 14 new Police vehicles (10 Patrol vehicles), radios, uniforms and other equipment.

ITEM	2018	2019	2020
21 New Commissioned Positions (Hired in August 1, 2018) ¹	\$507,159	\$1,618,534	\$1,699,435
6 Community Service Officers (filled by October 1, 2018) ²	95,407	371,023	392,137
1 Crime Analyst Supervisor (filled by October 1, 2018)	27,817	100,900	105,277
4 Crime Analysts (filled by October 1, 2018) ³	94,037	360,494	376,086
Other Operating Costs	4,549	289,993	289,993
Body-worn camera maintenance	385,000	400,000	400,000
Initial Equipment	694,832	0	0
Total Expenditures	\$1,808,801	\$3,140,944	\$3,262,929
General Fund	\$1,358,374	\$3,140,944	\$3,262,929
One-time asset sale proceeds	450,427	0	0
Total Funding	\$1,808,801	\$3,140,944	\$3,262,929

¹ New commissioned positions would include two Sergeants, six Detectives and 13 Officers.

² Community Service Officers will relieve Officers of certain tasks, increasing proactive patrol capacity.

³ Crime Scene Analysts will replace Police Officers currently performing this duty, increasing proactive patrol capacity.

8. Strengthening Community Partnerships

Issue - The City of Wichita will be expanding the model where it provides existing facilities for partners to operate, rather than directly providing touchable services. In 2019, this model will be expanded to CityArts and the Wichita Animal Shelter.

The City of Wichita provides a varied list of activities. Some activities, such as police beat patrol and street maintenance are untouchable local government services. However, some services currently provided by the City of Wichita are better suited to be provided by community partners.

The City operates CityArts, which provides arts classes (the cost of which is generally recovered by revenues) and a gallery and boutique (which are subsidized by the City). While the classes share similarities with Park and Recreation Department programming, operating a gallery and boutique is dissimilar to other City of Wichita operations. The 2019 Proposed Budget reduces funding for this portion of CityArts, and recommends a strategy of seeking a private partner to operate in this space and retain any revenues generated.

The Wichita Animal Shelter, which is located on the same property as the Kansas Humane Society, opened in 2009. Though live re-

lease rates have increased dramatically, from 24% in 2005 to 79% in 2017, many residents have stated an interest in increasing rates to be above 90%. To achieve the increase since 2005, animals have been sheltered for more days, which detracts Animal Control Officers from providing enforcement in the field.

During the Social Media Town Hall, residents were asked if the City should find a partner to operate the shelter, but retain ownership of the facility. Feedback was encouraging; some residents indicated an interest in volunteering and supported efforts to improve the live release rate. The non-profit would be responsible for animal care, including veterinary services. City of Wichita Animal Control Field Officers would still operate from the facility. This change is budgeted effective July 2019. Until then, efforts will be ongoing to develop a partnership with a non-profit group, similar to BARCS in Baltimore, MD, which is a non-profit that operates their city shelter.

9. Adjusting Library Branch Services

Issue - The new Advanced Learning Library is expected to significantly enhance library services available to all residents. In anticipation of a new approach to library services, a Branch Study was completed by Wichita State University. This study surveyed library users to better understand user demographics and characteristics. Staff also evaluated the costs and the attributes of each branch location. Using this evaluation, adjustments to the branch system are included in the 2019 Proposed Budget.

The opening of the Advanced Learning Library (ALL) represents a shift towards an overall system that emphasizes special programming, education, and most importantly, access to technology. It also provides an opportunity to review the role and relevance of each branch as it relates to the future. Wichita's library system has two different kinds of branches: large (regional or district) and small (community or neighborhood).

In general, the larger libraries provide their market areas with a wider array of services, while smaller branches resemble traditional libraries, with an emphasis on media rentals. It is important to note that any discussion of branch closings is not related to popularity, as each branch has dedicated users. Instead, the issue is how each branch fits into the strategic planning that has already been established for the library system.

Comotara is a 800 square-foot, popular materials outlet, occupying free space at a Dillon's grocery store location. Recently, Dillon's notified the Library that the Comotara space will no longer be available and that location will close in 2018, saving \$21,000.

Linwood is a small location (3,752 square feet) located at the Linwood Recreation Center. During the branch library study, 70% of Linwood users indicated they use the Central Library - the highest percentage of any location. Closing Linwood in 2019 produces relatively small savings of \$110,000; however, its location is not ideal, its impact on system performance is relatively small and its patrons seem very likely to utilize the new Advanced Learning Library.

Evergreen serves north Wichita from a repurposed grocery store building. It is the lowest performing regional/district library; closing this location would reduce system circulation and visits by an estimated 8%. This library also has the smallest service area of the regional/district libraries, serving an estimated 28,000 residents (compared to 85,000, 97,000 and 55,000 for Westlink, Rockwell and Alford, respectively). Evergreen is geographically the closest branch to the new Advanced Learning Library. The closing or restructuring of this location in 2020 will be studied in the upcoming year.

Calculating the City Mill Levy Requirement. A mill is \$1 of tax for every \$1,000 of assessed value on real and personal property. The mill levy is recalculated every year and is based on the tax dollars needed for financing the City budget.

First, the City (the taxing district) arrives at a total amount for expenditures in the taxing funds. In Wichita these funds are the General Fund and the Debt Service Fund. After expenditure totals are known, all other revenue sources (non-property taxes and fees) are subtracted. The remainder is the amount to be raised from ad valorem (property) taxes.

A City residential property owner will pay taxes to support the City budget, based on the market value of the owner's property, times the assessment ratio (11.5% for residential property), times the tax levy rate (mills divided by 1,000), as illustrated in the three examples to the right. Rates for other properties are: commercial, 25%; real property used by nonprofits, 12%; public utility, 33%; vacant lots, 12%; agricultural use, 30%; all others, 30%.

Tax Rates for the 2019 Budget Year (Based on Estimated 2018 Values)		
Assessed Valuation:		
	TAXES TO BE LEVIED (Including Delinquencies)	MILL LEVY
General Fund	\$87,631,767	25.167
Debt Service Fund	\$26,115,082	7.500
Total	\$113,746,849	32.667

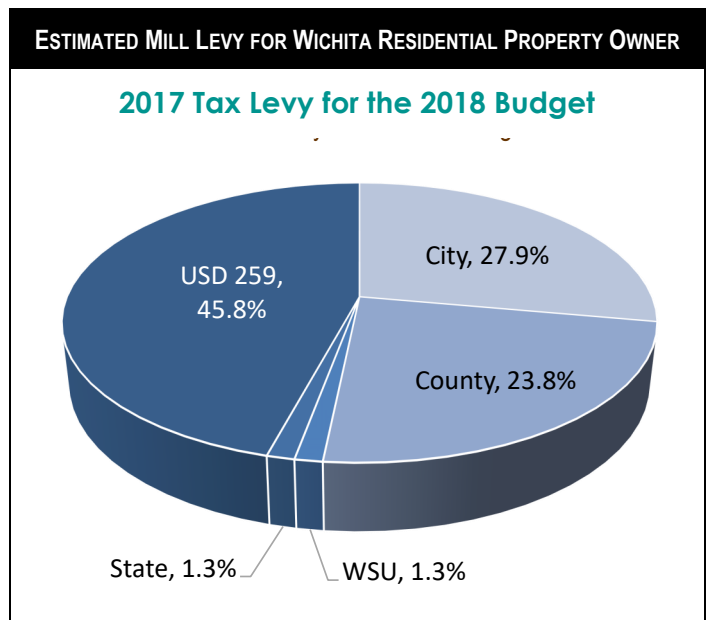
MARKET VALUE	X	ASSESSMENT RATIO	X	CITY TAX LEVY RATE	=	ESTIMATED CITY TAXES DUE
\$100,000	X	11.5%	X	0.032667	=	\$376
\$150,000	X	11.5%	X	0.032667	=	\$564
\$200,000	X	11.5%	X	0.032667	=	\$751

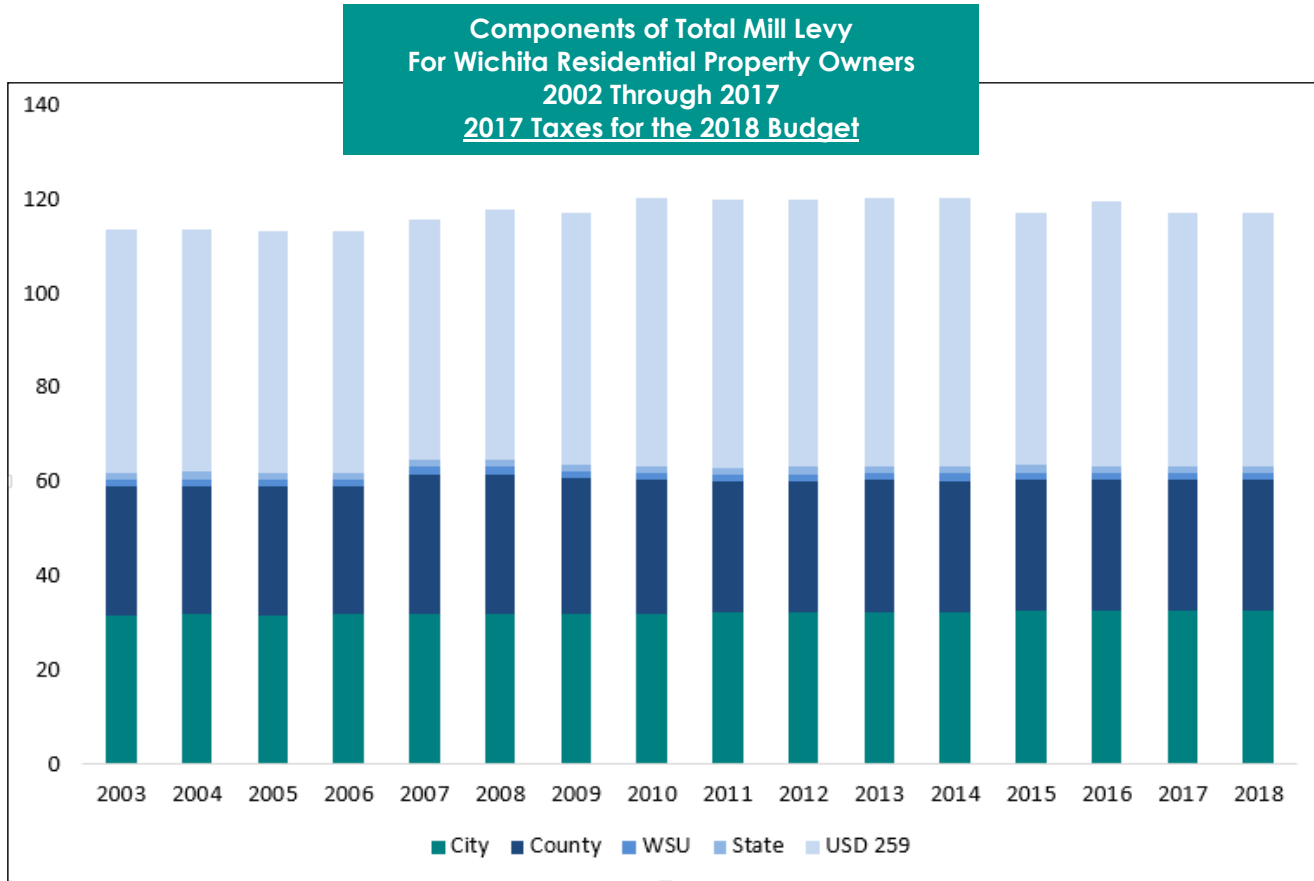
The assessed value is the market value times the classification rate. For example, the assessed value of a \$150,000 home (for purposes of taxation) is \$150,000 times 11.5%, or \$17,250.

TAXING DISTRICT	TAX LEVY RATE	PERCENT OF TOTAL
City of Wichita	32.667	27.9%
Sedgwick County*	27.893	23.8%
WSU*	1.5000	1.3%
U.S.D. 259*	53.733	45.8%
State*	1.5000	1.3%
Total	117.293	100.0%

* Levies for other jurisdictions are estimated based on the 2017 tax year levy.

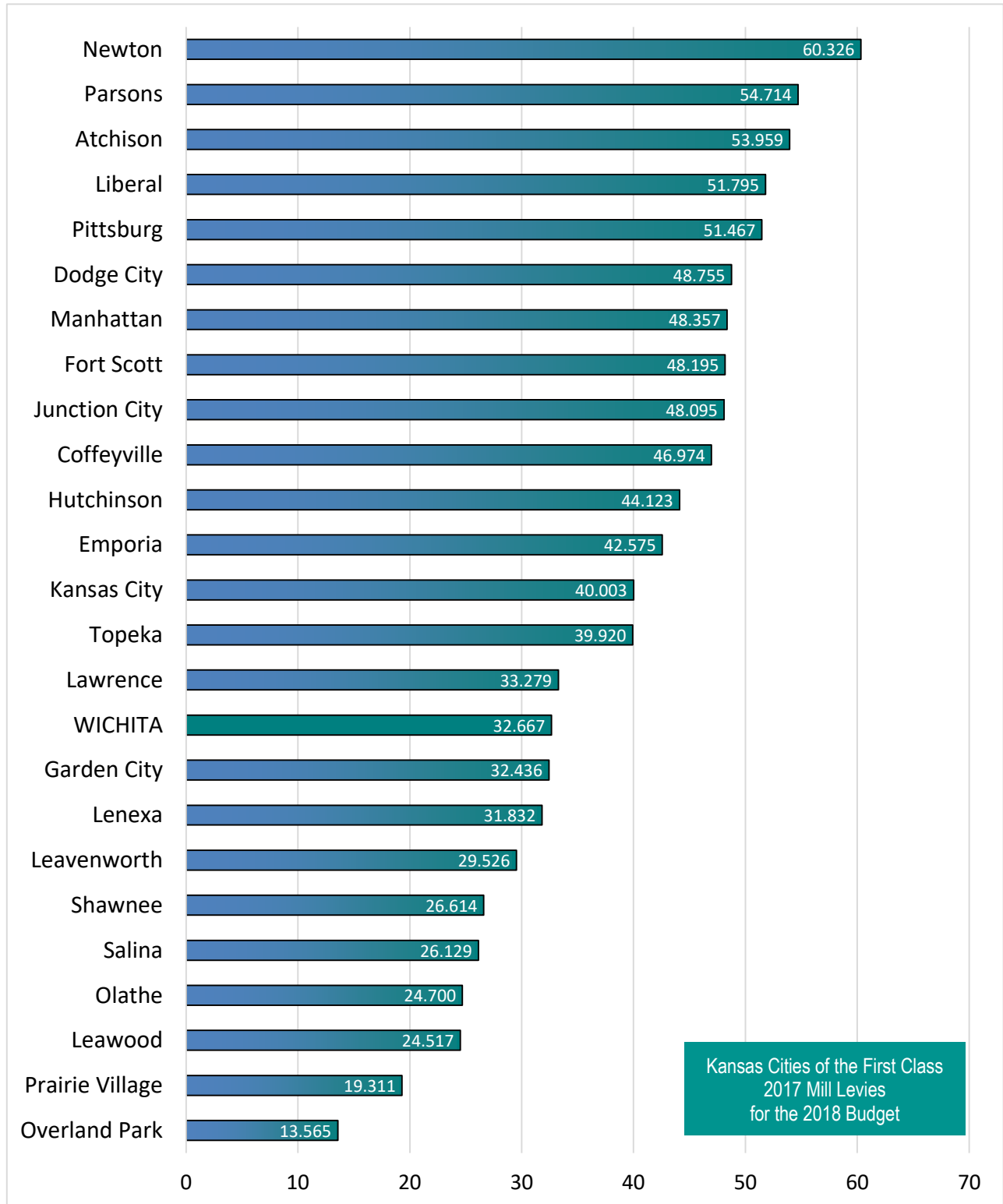
The tax levy rate is calculated by dividing the total revenue to be obtained from property taxes by the total assessed value for the taxing district. The table above shows the estimated 2017 tax year rates (based on preliminary assessed valuation estimates), which will be used to finance the 2018 budget.





COMPONENTS OF THE TOTAL MILL LEVY FOR WICHITA RESIDENTIAL PROPERTY OWNER - 2003 THROUGH 2018 2017 TAXES FOR THE 2018 BUDGET						
BUDGET YEAR	CITY	COUNTY	WSU	STATE	USD 259	TOTAL
2003	31.845	27.276	1.500	1.500	51.839	113.960
2004	31.905	27.322	1.500	1.500	51.408	113.630
2005	31.828	27.263	1.500	1.500	51.296	113.387
2006	31.898	27.258	1.500	1.500	51.300	113.456
2007	31.953	29.815	1.500	1.500	51.296	116.064
2008	31.979	29.833	1.500	1.500	53.238	117.050
2009	32.056	28.877	1.500	1.500	53.309	117.242
2010	32.142	28.368	1.500	1.500	56.850	120.360
2011	32.272	27.857	1.502	1.500	56.928	120.059
2012	32.359	27.928	1.500	1.500	57.018	120.305
2013	32.471	27.947	1.500	1.500	57.184	120.602
2014	32.509	27.877	1.500	1.500	57.215	120.601
2015	32.651	27.978	1.500	1.500	53.735	117.365
2016	32.686	27.883	1.500	1.500	56.278	119.847
2017	32.625	27.893	1.500	1.500	53.683	117.201
2018	32.667	27.893	1.500	1.500	53.733	117.293

Wichita has a lower mill levy than fifteen of the twenty-five Kansas cities of the first class.
The ten cities with a lower mill levy than that of Wichita all impose a local city sales tax in addition to the local county sales tax.



Source: 2017 League of Kansas Municipalities
Kansas Tax Rate & Fiscal Data Book

CITY	POPULATION	CITY LEVY	FIRE LEVY	COMBINED LEVY
Andale	993	52.218	18.392	70.610
Andover	12,980	40.511	0	40.511
Argonia	482	52.821	0	52.821
Augusta	9,321	55.400	0	55.400
Bel Aire	7,661	45.719	18.392	64.111
Belle Plaine	1,598	76.005	4.001	80.006
Bentley	517	59.601	18.392	77.993
Benton	876	55.436	5.192	60.628
Burrton	887	69.938	10.105	80.043
Caldwell	1,020	71.666	0	71.666
Cassoday	130	17.253	5.594	22.847
Cheney	2,165	60.753	0	60.753
Clearwater	2,519	56.144	0	56.144
Colwich	1,398	56.589	0	56.589
Conway Springs	1,224	69.209	0	69.209
Cunningham	458	71.045	0	71.045
Derby	23,633	48.075	0	48.075
Douglass	1,691	58.996	6.869	65.865
Eastborough	761	63.637	0	63.637
Elbing	228	23.216	0	23.216
El Dorado	13,141	52.995	5.326	58.321
Garden Plain	894	50.856	18.392	69.248
Geuda Springs	183	34.101	7.213	41.314
Goddard	4,710	33.230	18.392	51.622
Halstead	2,081	74.063	0	74.063
Haysville	11,245	48.500	18.392	66.892
Hesston	3,803	35.856	0	35.856
Hunnewell	65	20.256	0	20.256
Kechi	1,995	36.726	18.392	55.118

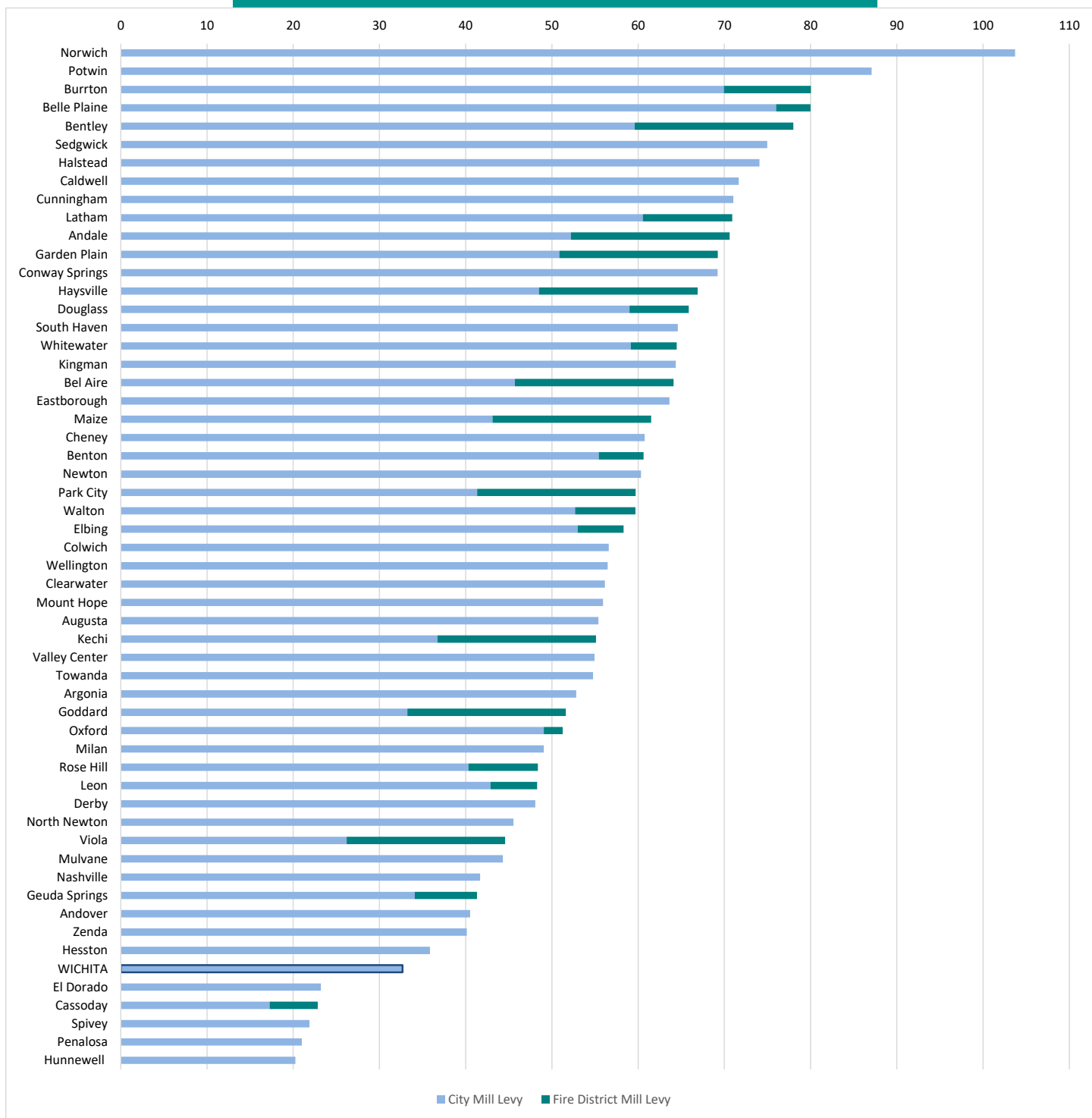
CITY	POPULATION	CITY LEVY	FIRE LEVY	COMBINED LEVY
Kingman	3,000	64.362	0	64.362
Latham	138	60.536	10.388	70.924
Leon	701	42.869	5.419	48.288
Maize	4,438	43.117	18.392	61.509
Milan	79	49.052	0	49.052
Mount Hope	807	55.933	0	55.933
Mulvane	6,316	44.304	0	44.304
Nashville	61	41.677	0	41.677
Newton	19,105	60.326	0	60.326
North Newton	1,797	45.528	0	45.528
Norwich	458	103.713	0	103.713
Oxford	1,017	49.063	2.190	51.253
Park City	7,632	41.325	18.392	59.717
Penalosa	16	21.003	0	21.003
Potwin	434	87.087	0	87.087
Rose Hill	4,015	40.312	8.060	48.372
Sedgwick	1,695	74.977	0	74.977
South Haven	346	64.609	0	64.609
Spivey	74	21.873	0	21.873
Towanda	1,427	54.772	0	54.772
Valley Center	7,343	54.951	0	54.951
Viola	130	26.185	18.392	44.577
Walton	239	52.695	7.000	59.695
Wellington	7,889	56.455	0	56.455
Whitewater	713	59.151	5.326	64.477
Zenda	85	40.121	0	40.121
WICHITA	389,902	32.667	0	32.667
AVERAGE COMBINED CITY MILL LEVY				56.180

Source: 2017 Kansas League of Municipalities Kansas Tax Rate & Fiscal Data Book

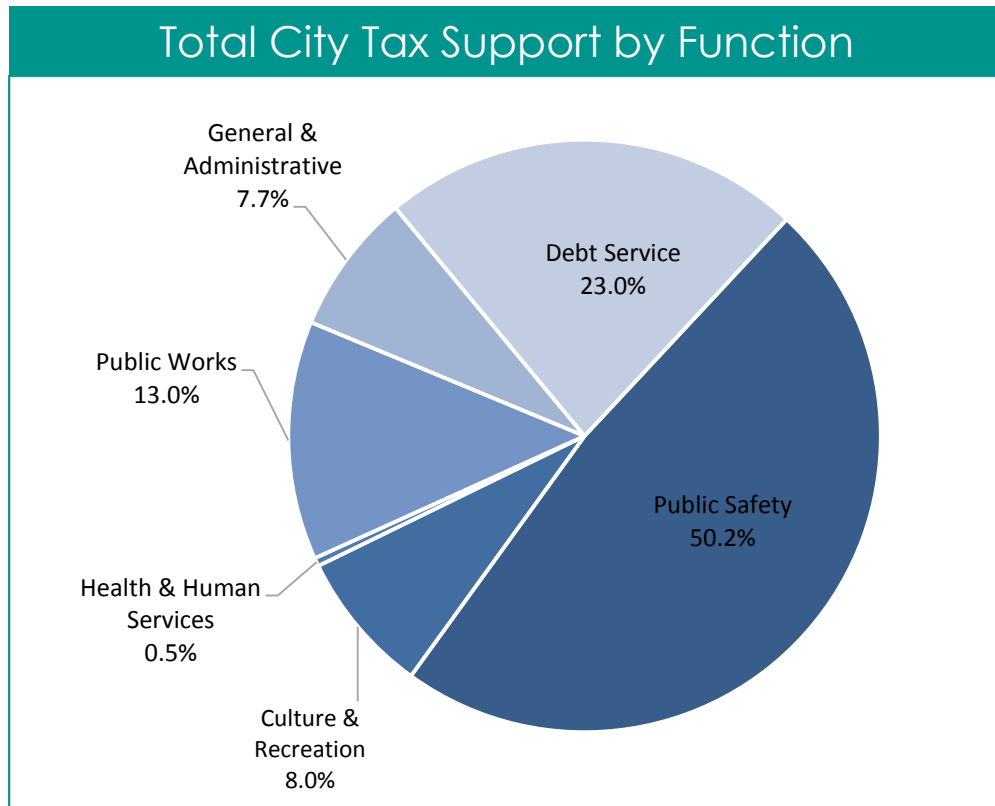
First, Second, and Third Class Cities Wichita Metropolitan Statistical Area:

Butler, Harvey, Kingman, Sedgwick, and Sumner Counties
2017 Mill Levies for the 2018 Budget

Combined City Mill Levies, Including Fire District Levies Wichita Metropolitan Statistical Area 2017 Mill Levies for the 2018 Budget



Source: 2017 League of Kansas Municipalities
Kansas Tax Rate & Fiscal Data Book



2019 Funding Sources for General Fund Budgets by Function

FUNDING SOURCE	PUBLIC SAFETY	PUBLIC WORKS / TRANSPORTATION	CULTURE AND RECREATION	HEALTH AND HUMAN SERVICES	ADMINISTRATION AND GENERAL	TOTAL
Current property taxes:						
Dollars (1000's)	\$51,115,747	\$13,881,825	\$8,309,384	\$483,500	\$8,212,733	\$82,003,189
Percent of budget	35%	33%	32%	39%	27%	34%
Other general funding:						
Dollars (1000's)	86,439,750	21,129,087	12,647,448	735,920	12,009,105	132,961,310
Percent of budget	60%	49%	49%	59%	39%	54%
Department-generated:						
Dollars (1000's)	6,626,310	7,682,992	4,666,430	19,900	6,352,530	25,348,162
Percent of budget	5%	18%	18%	2%	21%	10%
Administrative charges:						
Dollars (1000's)	0	0	0	0	3,900,665	3,900,665
Percent of budget	0%	0%	0%	0%	3%	2%
TOTAL FUNDING	\$144,181,807	\$42,693,904	\$25,623,262	\$1,239,320	\$30,475,033	\$244,213,327

The property tax subsidy is the amount left after all other revenue sources are allocated and subtracted. Other revenues include those directly generated by the department, administrative services provided to non-General Fund departments, and general sources (for example, franchise fees and local sales tax).

BY DEPARTMENT	2019 PROPOSED BUDGET		TAX SUPPORT BY OWNER OF HOME VALUED AT \$100,000	TAX SUPPORT BY OWNER OF HOME VALUED AT \$150,000	TAX SUPPORT BY OWNER OF HOME VALUED AT \$200,000
	PROPERTY TAX SUBSIDY	TOTAL PROPERTY TAX LEVIED (\$)*			
Police	31,316,800	33,466,351	\$110.53	\$165.79	\$221.06
Fire	17,392,460	18,586,256	\$61.38	\$92.08	\$122.77
Public Works & Flood Control	12,385,010	13,235,094	\$43.71	\$65.57	\$87.42
Park	4,833,350	5,165,099	\$17.06	\$25.59	\$34.12
Library	3,476,040	3,714,629	\$12.27	\$18.40	\$24.54
Non-Departmental	3,306,475	3,533,424	\$11.67	\$17.50	\$23.34
Municipal Court	1,721,700	1,839,879	\$6.08	\$9.11	\$12.15
City Manager	2,505,610	2,677,588	\$8.84	\$13.26	\$17.69
Finance	1,330,330	1,421,643	\$4.70	\$7.04	\$9.39
Transit	1,496,820	1,599,558	\$5.28	\$7.92	\$10.57
Law	684,770	731,772	\$2.42	\$3.63	\$4.83
Human Resources	480,210	513,175	\$1.69	\$2.54	\$3.39
City Council	410,460	438,639	\$1.45	\$2.17	\$2.90
Metro. Building and Construction	400,440	427,922	\$1.41	\$2.12	\$2.83
Planning	262,710	280,738	\$0.93	\$1.39	\$1.85
General Fund	\$82,003,187	\$87,631,765	\$289.42	\$434.13	\$578.84
Debt Service Fund	\$24,437,712	\$26,115,081	\$86.25	\$129.38	\$172.50
TOTAL CITY TAX BILL	\$106,440,899	\$113,746,846	\$375.67	\$563.51	\$751.34
BY FUNCTION					
Public Safety	51,115,747	54,624,255	\$180.41	\$270.61	\$360.81
Public Works/Transportation	13,881,825	14,834,653	\$48.99	\$73.49	\$97.99
Culture and Recreation	8,309,384	8,879,728	\$29.33	\$43.99	\$58.65
Health and Human Services	483,500	516,687	\$1.71	\$2.56	\$3.41
Administration and General	8,212,733	8,776,443	\$28.99	\$43.48	\$57.97
General Fund	\$82,003,188	\$87,631,765	\$289.42	\$434.13	\$578.84
Debt Service Fund	\$24,437,713	\$26,115,081	\$86.25	\$129.38	\$172.50
TOTAL CITY TAX BILL	\$106,440,901	\$113,746,846	\$375.67	\$563.51	\$751.34
<p>* The total levy includes a delinquency allowance of 6.4 percent. The City levy, expressed in mills, is estimated at 32.667 (General and Debt Service Fund). It is based on an assessed valuation of \$3,482,010,752. Totals may not sum due to rounding.</p>					

